



Medicine Hat



CITY OF MEDICINE HAT

# 2024 FINANCIAL REPORT

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For the Year Ended December 31, 2024  
Medicine Hat, Alberta, Canada

**City of Medicine Hat, Alberta, Canada**

# **2024 FINANCIAL REPORT**

**For the year ended December 31, 2024**

*This Financial Report has been prepared and compiled by the  
City of Medicine Hat Finance Department in cooperation with  
all City departments.*



**Information on the City of Medicine Hat  
is available via the internet at  
[www.medicinehat.ca](http://www.medicinehat.ca)**

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# City Council



**Back row:** Shila Sharps, Darren Hirsch, Cassi Hider, Robert Dumanowski

**Front row:** Andy McGrogan, Ramona Robins, Linnsie Clark, Alison Van Dyke, Allison Knodel

## STANDING COMMITTEES

### Administrative & Legislative Review Committee

Councillor A. McGrogan, Chair  
Councillor A. Knodel, Vice Chair  
Councillor R. Dumanowski

### Audit Committee

Councillor D. Hirsch, Chair  
Councillor S. Sharps, Vice Chair  
Councillor A. Van Dyke  
D. Egert, Corporate Services Managing Director & CFO, Advisor

### Corporate Services Committee

Councillor R. Dumanowski, Chair  
Councillor C. Hider, Vice Chair  
Councillor A. Knodel

### Development & Infrastructure Committee

Councillor S. Sharps, Chair  
Councillor A. McGrogan, Vice Chair  
Councillor A. Van Dyke

### Emergency Advisory Committee

Mayor L. Clark  
Councillor C. Hider  
Councillor D. Hirsch

### Energy, Land & Environment Committee

Councillor D. Hirsch, Chair  
Councillor A. Van Dyke, Vice Chair  
Councillor S. Sharps

### Public Services Committee

Councillor C. Hider, Chair  
Councillor R. Dumanowski, Vice Chair  
Councillor R. Robins

## Administrative Committee

L. Clark, Mayor  
A. Mitchell, City Manager, Chair  
J. Hutter, Public Services Managing Director  
D. Egert, Corporate Services Managing Director & CFO  
P. Bohan, Development & Infrastructure Managing Director  
R. Pancoast, Energy, Land and Environment Managing Director  
B. Bullock, City Solicitor  
T. Aaserud, City Clerk

## SPECIAL COMMITTEES

**Alberta Municipal Climate Leadership Council:** Councillor A. Van Dyke

**Chamber of Commerce:** Councillor S. Sharps

**Civic Functions:** Councillor A. Knodel

**Community Futures Entre-Corp:** Mayor L. Clark

**Cypress View Foundation:** Mayor L. Clark & Councillor R. Robins

**Friends of Medalta Society:** Councillor A. Knodel

**Highway #3 Twinning Association:** Councillor D. Hirsch

**Inter-City Forum on Social Planning:** Councillor A. Van Dyke

**Intermunicipal Committee:** Mayor L. Clark & Councillor S. Sharps

**Medicine Hat Community Housing Society:** Mayor L. Clark

**Medicine Hat Exhibition & Stampede:** Councillor A. McGrogan

**Medicine Hat Public Library:** Councillor R. Robins

**Municipal Names Committee:** Councillor C. Hider

**Municipal Planning Commission:** Councillors A. McGrogan & S. Sharps

**Palliser Economic Partnership:** Mayor L. Clark & Councillors C. Hider

**Police Commission:** Councillors D. Hirsch & R. Dumanowski

**Physician Attraction & Retention:** Councillors A. Van Dyke & S. Sharps

**Regional Drainage:** Councillor A. Van Dyke

**Shortgrass Library System:** Councillor A. Van Dyke

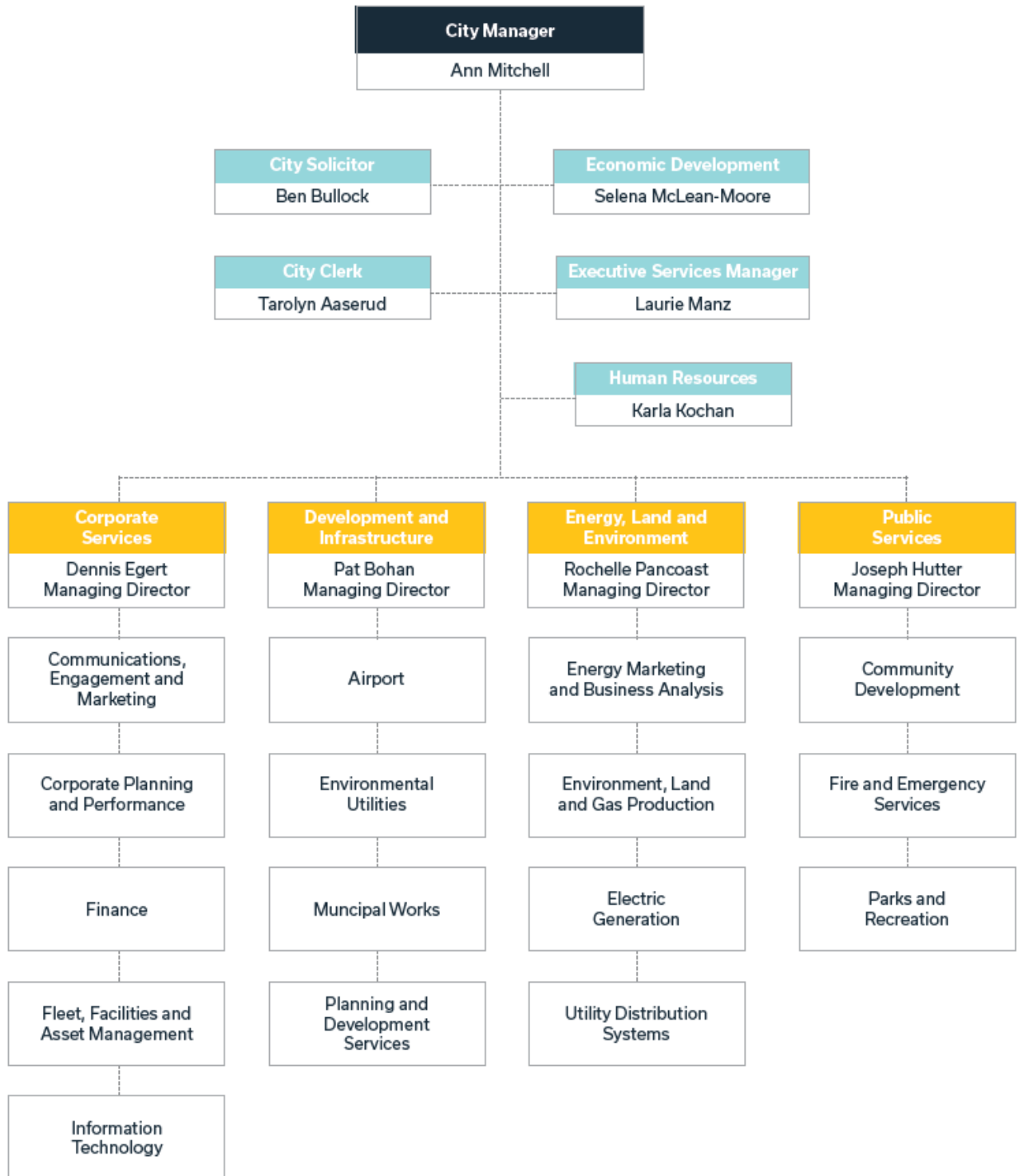
**Southeast Alberta Rural Renewal Steering Committee:** Mayor L. Clark

**Subdivision & Devel. Appeal Board:** Councillor C. Hider

**Tourism Medicine Hat:** Councillor C. Hider

# Organizational Structure

As at December 31, 2024



# CHIEF FINANCIAL OFFICER'S REPORT

FOR THE YEAR ENDED DECEMBER 31, 2024

## INTRODUCTION

I am pleased to submit the City of Medicine Hat Consolidated Financial Statements for the fiscal year ended December 31, 2024. MNP LLP has audited these financial statements and provided an unqualified audit opinion in their report dated April 22, 2025.

The City provides multiple services to residents in Medicine Hat and surrounding area. At a municipal level it provides:

- protection to its citizens (fire, police and bylaw services, 9-1-1 communications, community development services)
- parks, recreation and culture activities
- road, bridge, sidewalk and trail maintenance
- city planning and development

The City also operates enterprise business units offering the following services:

- water, sewer and solid waste management
- land and property development
- integrated commodity related businesses including natural gas exploration, production and procurement as well as electric generation
- natural gas and electric distribution services

The financial statements bring together the financial results of these activities. In doing so, the City is responsible for both accuracy of the data and completeness and fairness of the presentation, including all disclosures. This report provides users with an overview of the City of Medicine Hat's financial performance.

The purpose of the financial report is to present readers with clear insight on the financial results for the City for the fiscal year ended December 31, 2024. City administration strives to ensure that this report presents fairly the financial position of this City. The report compares how financial resources were used compared to budgets and past financial performance, and is divided into seven sections:

- **Introduction** – Provides an overview of the Chief Financial Officer's Report.
- **Canadian GFOA Award for Financial Reporting** - Recognition of high-quality financial reports.
- **Risk Management** - Discussion of risks and risk management strategies.
- **Management Reporting and Control** - Provides an explanation of the planning, budgeting, accounting, auditing and reporting process.
- **Financial Highlights** - Presents a review of the City of Medicine Hat's activities and financial position for the fiscal year ended December 31, 2024. The analysis is supplementary information to the financial statements and therefore, should be read in conjunction with the consolidated financial statements, accompanying notes and supporting schedules.
- **Financial Statements** - Presents the consolidated financial statements, supporting statements, notes and schedules. These statements and schedules contain current year results with prior year comparatives as well as the approved budget for the operating and capital accounts.



Jilian Campbell

Jilian Campbell  
Managing Director of Corporate  
Services/Chief Financial Officer  
April 22, 2025

# CHIEF FINANCIAL OFFICER'S REPORT

FOR THE YEAR ENDED DECEMBER 31, 2024

## CANADIAN GFOA AWARD FOR FINANCIAL REPORTING

The Government Finance Officers Association of the United States and Canada (GFOA) awarded the Canadian Award for Financial Reporting to the City of Medicine Hat for its Annual Financial Report for the fiscal year ended December 31, 2023, for the 22nd year in a row. The Canadian Award for Financial Reporting program was established to encourage municipal governments throughout Canada to publish high-quality financial reports and to provide peer recognition and technical guidance for officials preparing these reports.

In order to receive a Canadian Award for Financial Reporting, a government entity must publish an easily readable and efficiently organized annual financial report with contents conforming to program standards. Such reports should go beyond the minimum requirements of generally accepted accounting principles and demonstrate an effort to clearly communicate the municipal government's financial picture, enhance an understanding of financial reporting by municipal governments, and address user needs.

## RISK MANAGEMENT

This section of the report details the City's exposure to risk and uncertainty to enable the reader to make informed judgments about the implications of these risks on the City's financial position.

### (a) Enterprise Risk Management

In 2024, Council approved Policy # 0184 Enterprise Risk Management (ERM). The Policy establishes a structured and comprehensive approach to managing risks across the organization. It forms a framework for the systematic identification, assessment, and mitigation of risks across the organization, ensuring alignment with industry standards to support better decision-making and the City's strategic objectives.

The policy ensures that risk management is integrated into all operations, fostering a culture of risk awareness and resilience throughout the organization. A structured framework has been developed to identify and assign risk events to specific enterprise risks, designate executive sponsors and risk owners, and endorse key controls, which demonstrates the City's coordinated efforts to mitigate identified risks. An ERM committee has been formed for continuous oversight to ensure regular monitoring and accountability for enterprise risks. Top risks and emerging trends are regularly reviewed, and updates are provided to Audit Committee.

### (b) Operational Risk Management

As a result of continued insurance premium rate increases over the past few years, the City undertook a third-party review of its insurance program that included recommendations to self-insure certain components of the City's insurance program to reduce overall premium costs while remaining within the City's risk tolerance. The insurance program continues to provide insurance coverage for the majority of the City's major losses that involve third-party property damage or bodily injury and/or damage to City property (buildings/equipment/vehicles), contributing to long-term sustainability of City assets. To accommodate self-insuring certain components of the insurance program, a dedicated insurance reserve was established (included within the operating reserve) to fund future, large insurance claims.

### (c) Public Safety

Medicine Hat Police Service continues to keep pace with community growth and the demand for services from residents. The use of technology, equipment and continued training and development of police service personnel ensures public and officer safety.

Fire and Emergency Services provides life and property protection to the community through rapid response to fire or rescue emergency, and natural or man-made disasters. They provide community inspections, education and safety programs and preplanning for disasters and emergencies. Fire and Emergency Services monitors growth patterns and recommends changes and improvements that will provide efficient and effective protection to meet City Council's established response guidelines to all areas of the city. The Fire Service Response Coverage Optimization Plan was implemented in 2013 and resulted in significant response coverage improvements to residents and improved safety for firefighters.

Fire and Emergency Services also operates the 9-1-1 Communications Centre, serving as a single point of contact for allocation of emergency and essential services to the residents of Medicine Hat, Redcliff, County of Forty Mile, Foremost, and Bow Island – a regional population of approximately 77,000 residents. The aim is to maintain a level of service that meets or exceeds industry standards with respect to call answer times, prioritization, and overall protocol compliance.

# CHIEF FINANCIAL OFFICER'S REPORT

FOR THE YEAR ENDED DECEMBER 31, 2024

## (d) Treasury Management

Portfolio investments are comprised of investments in qualifying instruments as defined in the City's Investment Policy #0167. In 2015, the City was included by Municipal Affairs in the Major Cities Investment Regulation, which provides access to a broader range of investment opportunities, including publicly traded shares of companies. The regulation expands the investment opportunities for the City's financial reserve funds.

In 2021, the City engaged a consultant to perform a review of its investment portfolio with the objective of assessing the appropriateness of the current asset mix policy and exploring alternative asset mixes while maintaining an appropriate balance between investment return and risk. The recommendation was to transition the City's investment portfolio from significant fixed income exposure to a more diverse portfolio including fixed income, equities, and alternative investments. This new portfolio has been structured to achieve the City's overall long-term objectives of optimizing investment returns through the investment cycle while maintaining an appropriate level of risk; generating sufficient investment returns to cover annual net spending; capital preservation; as well as conforming to all provincial statutes and regulations governing the investment of municipal funds.

Portfolio investments are comprised of investments in qualifying instruments as defined in the City's Investment Policy #0167. Included in investments are internally managed portfolios of investments in money market and fixed income securities. The City also has external investment portfolios managed by third-party investment managers including Addenda Capital, Apollo Global Management, Arrowstreet Capital, Brookfield Asset Management, Connor, Clark & Lunn Investment Management, Crestline Investors, Fidelity International, Igneo Infrastructure Partners, JP Morgan Investment Management, Manulife Investment Management, Mesirow Financial Investment Management, and Phillips, Hager & North Institutional. These funds are invested across the following asset classes: Canadian & global fixed income and equities, infrastructure, real estate, commercial mortgages, private credit, and currency. These funds are invested in assets permitted by the Major Cities Investment Regulation.

Investment performance is compared to market benchmarks that are replicable, measurable and fair comparisons to the portfolios being measured. The treasury team meets to review the investment portfolio and quarterly activity. A treasury report, complete with performance indicators, is compiled tri-annually and distributed to the Audit Committee and City Council.

In addition, internal control procedures are designed to ensure that the daily handling of cash is managed securely. Each member of the treasury team must sign a disclosure statement to ensure their personal business activities do not conflict with the investment activities of the City.

## (d) Environmental

The Environment, Land & Gas Production department provides corporate support and ensures regulatory compliance with regard to environmental matters. The department completes the regulatory activities, supports the operating departments in completing their due diligence with respect to environmental activities, and provides current information on evolving and emerging environmental regulatory requirements. One of the goals is to keep City Council informed of the City's progress in striving for continual improvement in management systems and communication focusing on both compliance and proactive excellence in matters of environmental stewardship.

## (e) Market Commodity Prices

The City's revenues are affected by changes in market spot prices for natural gas and oil production and electric generation. The City engages in certain hedging activities to mitigate the impact to revenue from market price changes. Hedging Policy #0159 provides the framework for guiding this risk management activity at the City. This policy outlines a set of triggers that guide hedging activities for each business unit. The hedge programs are designed for the specific requirement and constraints of Medicine Hat and focus on stabilizing the cost of commodities and/or revenues, maintaining reliable supplies for operations/sales, and mitigating financial risk exposure to the City.



# CHIEF FINANCIAL OFFICER'S REPORT

FOR THE YEAR ENDED DECEMBER 31, 2024

## MANAGEMENT REPORTING AND CONTROL

The following section describes the planning, reporting and audit process.

### Strategic Planning and Budgeting

City Council developed a strategic plan highlighting priorities, strategies, goals and key results for the planning period 2023-2026. Based on the direction set out in the strategic plan, departmental business plans are prepared. These business plans communicate each department's alignment with the strategic plan and identify:

- department mandate and structure
- the core services/programs of the department and key performance indicators,
- significant risks and trends faced by the department, including mitigation plans,
- strategic objectives, rationale, indicators of success and action plans of the department.



Budget guidelines and long-range financial projections are developed. Based on these guidelines and departmental business plans, departments develop their budget requests. City Council has approved the adoption of a two-year operating budget with a two-year projection as well as a two-year capital budget with an eight-year projection.

The Administrative Committee reviews departmental budgets and when satisfied that budgets are aligned with the business plans, the budget recommendation is presented for City Council deliberation and approval.

The operating budget lays out the revenues and expenses for the planning periods that will be required to deliver City services and programs to residents.

A ten-year capital plan is developed for all departments. The capital plans identify proposed capital project expenditures and their corresponding sources of funding.

For the 2023-2024 budget period, the City employed a capital ranking process for all departments. This process is intended to ensure that available capital funding is allocated to the projects that will provide the highest value and benefit to the municipality.

### (a) Accounting

The City of Medicine Hat manages the accounting function in five core divisions: Corporate Services; Public Services; Development and Infrastructure; Energy, Land and Environment; General Government; as well as Medicine Hat Police Services, which is administered through the Police Act. Each division is responsible for managing the delivery of services in accordance with the resources allocated. All divisions share a common accounting and reporting system. Financial and accounting services are administered under the direction of the Managing Director of Corporate Services and delivered to each division based on requirements.

### (b) Auditing

The Municipal Government Act requires municipal councils to appoint an independent auditor. MNP LLP was awarded a one-year Audit Contract in 2023 with an option to extend the engagement annually through 2027, subject to City Council's annual reappointment of auditors. City council approved MNP LLP's appointment for the 2024 audit.

# CHIEF FINANCIAL OFFICER'S REPORT

FOR THE YEAR ENDED DECEMBER 31, 2024

The role of the external auditor is to present an independent opinion on the fair presentation of the City's financial position and operating results as contained in the financial report, and to express an opinion that the financial statements are free from any material misstatements. The auditor advises management and the Audit Committee of any control or operational matters that may have been identified during the audit.

The Audit Committee, comprised of three members of City Council, is a standing committee of City Council. The Audit Committee mandate includes recommending the appointment of the independent auditor, reviewing the terms of the engagement, and overseeing management's responsibilities for financial reporting. The Audit Committee meets with management and the independent auditors to discuss the scope and timing of the audit, to review the auditor's findings and to ensure that management is carrying out its responsibilities.

Financial progress is reported to the Audit Committee throughout the year on a tri-annual basis. These progress updates examine financial performance relative to approved budgets and forecast updates.

## FINANCIAL HIGHLIGHTS

### Financial Trend Summary 2024

The financial data below provides an overview of key financial information over the past year with prior year comparatives. Readers should review this report in conjunction with the accompanying *Consolidated Financial Statements and Note Disclosures* located on the City's website at: <https://www.medicinehat.ca/government/publications-plans-reports/financial-reports>.

In 2024 the City experienced higher than expected annual surplus despite the external impact of continued inflationary pressures, market volatility impacting commodity prices and the Government of Alberta reduction in municipal funding. The higher surplus is primarily due to increased investment income due to higher returns and the recognition of gains as a result of rebalancing the portfolio, as well as the recovery (write-up) of oil and gas assets.

In 2024 the City's municipal budget anticipated a \$5.2 million gap which was funded through financial reserves to achieve a balanced budget. The 2024 actual municipal deficit was \$11.6 million, which required an additional transfer of \$6.4 million from reserves to fully fund the deficit. The City continues to focus its efforts on identifying strategic opportunities including revenue growth, cost containment, service level clarity and related adjustments, and leveraging technology and digital innovation to reduce its reliance on the financial reserves to achieve a balanced budget.

As a result of the declining gas and oil commodity prices over the past few years, the City decided to accelerate the abandonment and reclamation of its uneconomic oil and gas properties. The budgeted cost of the program is expected to be \$125 million to be financed through a combination of working capital (\$45 million) and debenture borrowing (\$80 million). As of year-end 2024 the accelerated abandonment program is substantially complete with almost 1,975 wells fully abandoned and under reclamation. Technical and logistical issues continue to be examined for the remaining wells in the program and abandonment will occur as these issues are resolved. The program ensures the City is fostering the wellbeing of the environment by safely meeting end of life obligations for its energy development activities.

# CHIEF FINANCIAL OFFICER'S REPORT

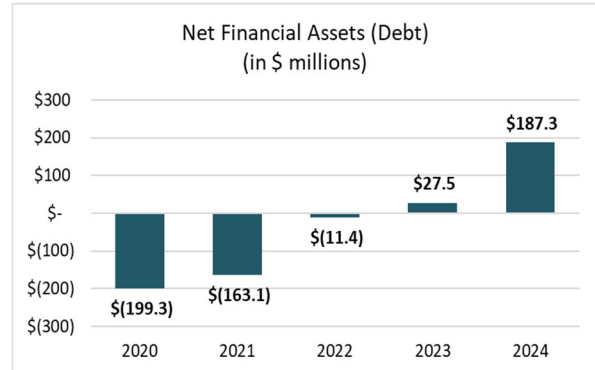
FOR THE YEAR ENDED DECEMBER 31, 2024

## Financial Summary

In 2024 financial assets increased at a higher rate than financial liabilities resulting in a significant increase in net financial assets of \$159.8 million from 2023. The increase in assets was due to an increase in financial investments as a result of higher investment returns. Liability decreases were a result of a decrease in deferred revenue, long term debt and asset retirement obligations. Net financial debt has seen a decrease over the past 5 years primarily due to increased financial investments and reductions in asset retirement obligations.

In thousands of dollars

Consolidated Financial Position	2024	2023
Assets	\$ 822,286	\$ 800,350
Liabilities	634,991	772,818
Net financial assets	187,295	27,532
Non-financial assets	55,980	39,890
Net tangible capital assets	1,444,919	1,435,449
Total non-financial assets	1,500,899	1,475,339
<b>Accumulated surplus</b>	<b>\$1,688,194</b>	<b>\$1,502,871</b>

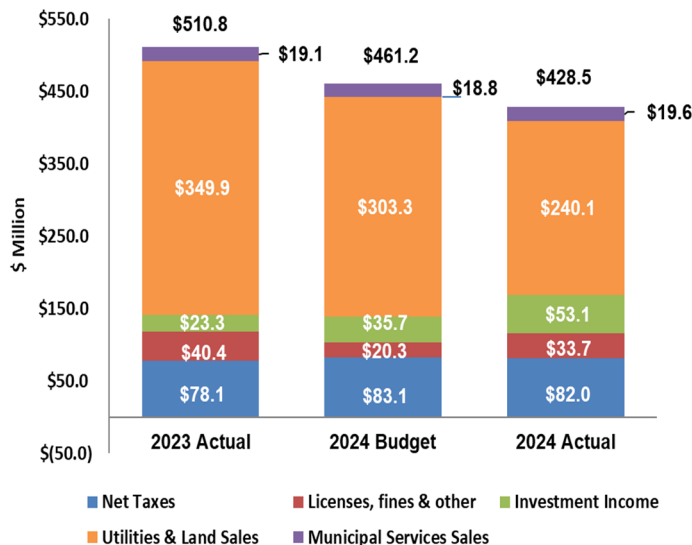


In thousands of dollars

Consolidated Operating	2024	2023
Revenue	\$428,482	\$ 510,837
Expenses	314,546	473,429
Subtotal	113,936	37,408
Other revenue	31,412	25,560
<b>Annual Surplus</b>	<b>\$145,348</b>	<b>\$ 62,968</b>

The 2024 annual surplus was \$145.3 million primarily due to higher investment income and a recovery (write-up) of oil and gas assets. Other revenue represents capital contributions and grant funding used for various capital projects such as: building rehabilitations; pedestrian trails and bridge rehabilitation; sidewalk, roads and storm sewer rehabilitation; wastewater treatment facility.

## Revenues



Revenue before capital contributions and grants was \$32.7 million lower than budget (\$428.5 million versus budget of \$461.2 million). This is mainly due to Utilities and Land Sales revenues being lower than budget by \$63.2 million as a result of lower electric revenues of \$56.3 million and lower gas revenues of \$5.5 million related to lower commodity prices. Investment income was higher than budget by \$17.4 million as a result of higher than anticipated market performance as well as the recognition of gains as a result of rebalancing the portfolio.

Revenues in 2024 are lower than 2023 revenues by \$82.3 million primarily due to lower gas and electric commodity prices offset by higher investment income.

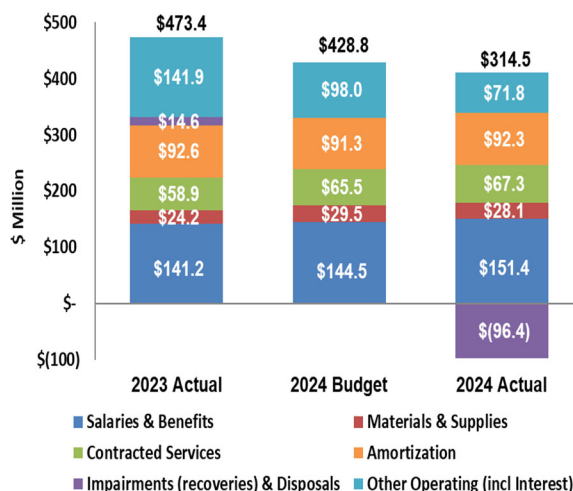
# CHIEF FINANCIAL OFFICER'S REPORT

FOR THE YEAR ENDED DECEMBER 31, 2024

## Expenses

The Consolidated Schedule of Expenses by Object details 2024 actual (\$314.5 million) and budget (\$428.8 million) by expense type. Variances from budget for salaries and benefits is primarily related to higher wages due to additional staff to maintain current service levels and backfilling of positions. Other operating expenses are lower than budget due to lower natural gas purchases as a result of lower commodity prices. The recovery (write-up) in Oil and Gas assets was not budgeted in the year.

The 2024 actual expenses are lower than 2023 primarily due to recognizing a \$96.4 million recovery (write-up) on oil and gas assets and lower other operating expenses related to lower gas purchases as a result of lower commodity prices. This is somewhat offset by higher wages as a result of additional staff to maintain current service levels and backfilling of positions.

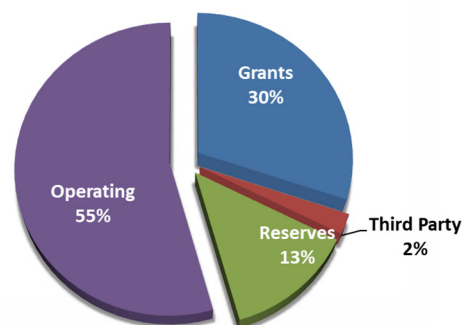


## Capital Expenditures

The City's approved 2024 budget for capital items was \$109.4 million. Actual capital expenditures for the year were \$112.8 million plus contributions from developers of \$1.2 million. The current year expenditures also include \$51.4 million for projects carried forward from previous budget years.

The 2024 capital expenditures were funded by grants received from the Province of Alberta and the Federal Government of Canada, as well as financial reserves, operating funds, and third-party contributions.

## Capital Funding Sources

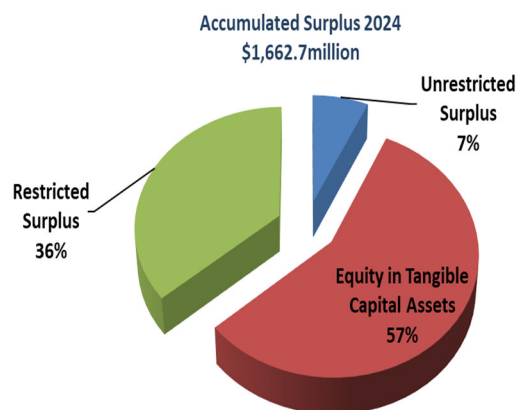


## Accumulated Surplus

The accumulated surplus on the Consolidated Statement of Operations represents the total change in all fund and equity balances for the City of Medicine Hat. During 2024, the consolidated fund and equity balances increased by \$145.3 million to \$1,662.7 million.

\$114.5 million of the accumulated surplus is unrestricted. This unrestricted amount is used as working capital to fund day to day operating activities of the City. The restricted amount is \$604.1 million and is largely dedicated to capital activities of the organization and the Medicine Hat Endowment Fund.

Equity in the City's tangible capital assets increased by \$152.9 million to \$944.1 million this year primarily as a result of the recovery (write-up) on oil and gas assets.



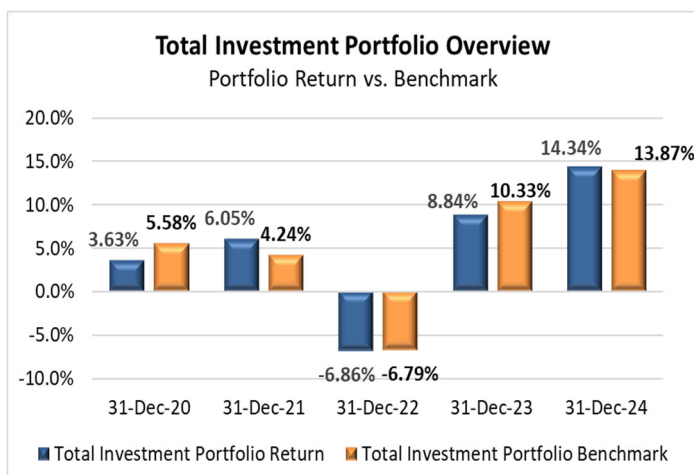
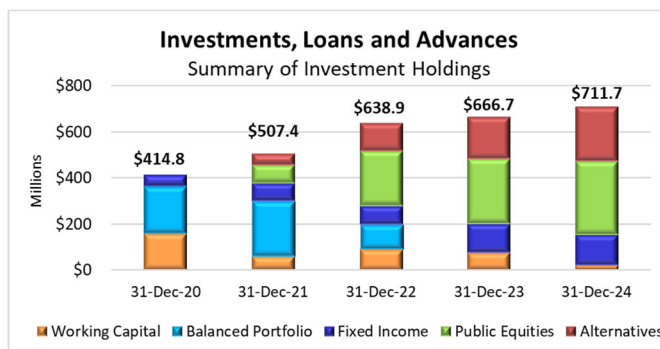


# CHIEF FINANCIAL OFFICER'S REPORT

FOR THE YEAR ENDED DECEMBER 31, 2024

## Investments

Investments, loans and advances increased \$45.0 million from 2023 to \$711.7 million largely due to a better market performance throughout 2024.



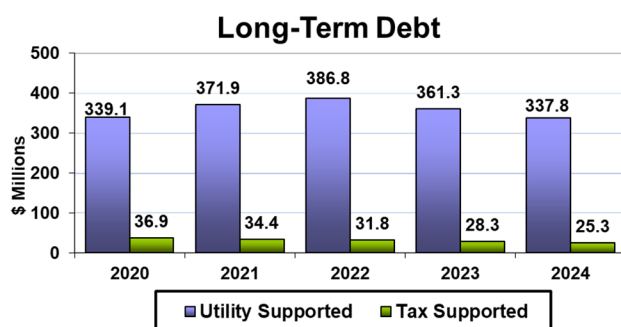
The City of Medicine Hat generated a total investment portfolio return of 14.34% for the year ended December 31, 2024, which is higher than the corresponding benchmark of 13.87%. The returns have seen an increase in 2024 as the markets continue to recover from the economic downturn in 2022.

In 2021, the City approved an update to the Investment Policy to include a new strategic asset allocation consisting of public equities, fixed income, working capital, and alternatives. It is expected that the new investment portfolio asset allocation will earn an average nominal return of 5.5% annually measured over a rolling five-year period. The transition to the new asset allocation is a long-term strategy to optimize the risk-return ratio for the City.

## Long-Term Debt

During 2024, total long-term debt decreased \$26.5 million to \$363.1 million as a result of debt principal repayments of \$26.5 million. No new debt was issued in 2024.

The Minister of Municipal Affairs has prescribed limits for total debt and debt servicing for municipalities in the province. The debt limit is defined as two times revenue, net of government transfers, and debt servicing is limited to 35% of revenue, net of capital government transfers. For the purpose of these calculations, actual total debt includes long-term debt as well as loan guarantees in the amount of \$1 million, credit card debt of \$0.6 million, and letters of credit issued of \$63.6 million.



### The City's 2024 debt limits are as follows:

(in millions of dollars)	2024	
Debt Limit	\$ 857.0	
Actual Total Debt	428.3	50%
<b>AMOUNT UNDER LIMIT</b>	<b>\$ 428.7</b>	
Debt Servicing Limit	\$ 150.0	
Actual Debt Servicing	\$ 38.7	26%
<b>AMOUNT UNDER LIMIT</b>	<b>\$ 111.3</b>	

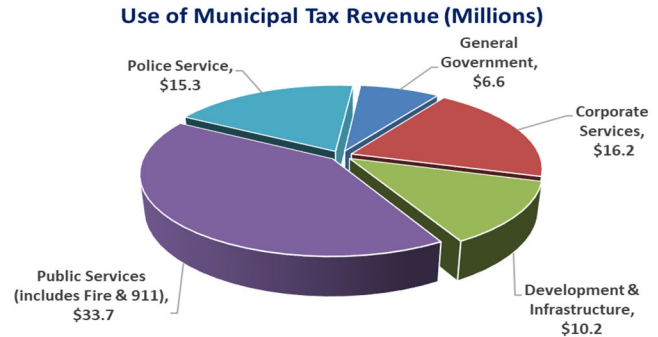
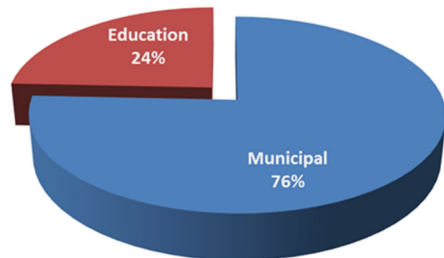
# CHIEF FINANCIAL OFFICER'S REPORT

FOR THE YEAR ENDED DECEMBER 31, 2024

## Use of Municipal Tax Revenue

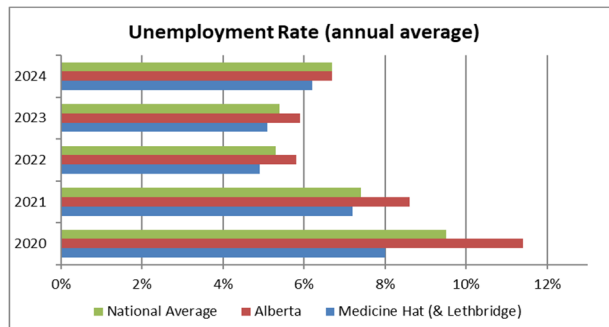
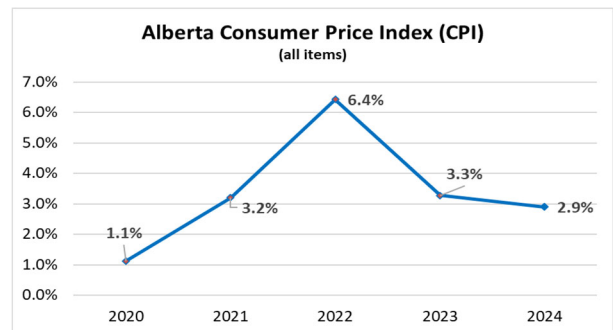
Net municipal property tax revenue of \$82.0 million is used to fund the consolidated general fund operating expenses of \$211.0 million. Other revenue sources mainly include investment interest, sales, government grants, fees and permits.

### Where our municipal property tax dollars went in 2024.



## Economic Indicators

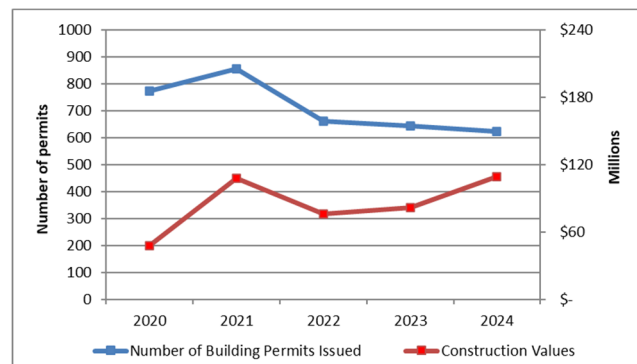
Alberta Consumer Price Index (CPI) saw an increase in 2021 and 2022 with a decline in 2023 and 2024 as the economy started to recover from the past two years.



The combined unemployment rate for the Medicine Hat and Lethbridge region at the end of 2024 was 5.4%, while the 2024 average was 6.2%. The average Alberta and Canada unemployment rates for 2024 were 6.7%. The increase in 2024 is due to more individuals entering the workforce and less jobs being available.

## Number of Building Permits Issued and Related Construction Values

In 2024, the number of building permits issued decreased to 622 primarily due to a decrease in new development. The related estimated value of construction in 2024 saw an increase from prior year to \$109 million due to higher construction values.

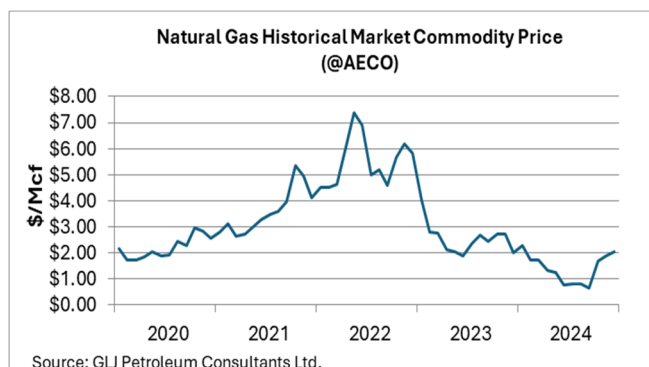


# CHIEF FINANCIAL OFFICER'S REPORT

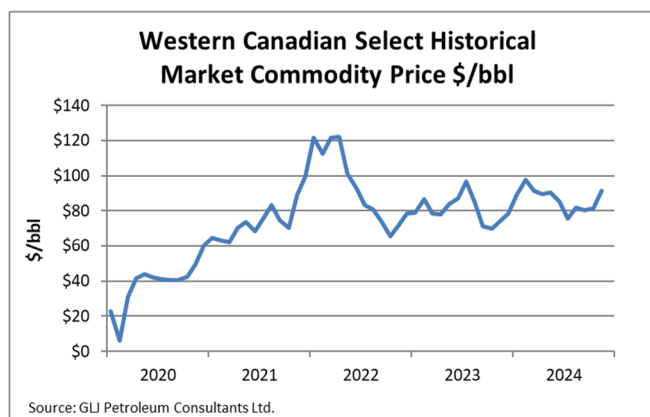
FOR THE YEAR ENDED DECEMBER 31, 2024

## Gas

Natural gas prices are decreasing to pre-pandemic levels with 2024 settling at \$2.05/GJ. Storage levels are reaching capacity and there is more supply than demand; this resulted in gas prices decreasing to \$0.78/GJ in the fall. Prices are anticipated to increase slightly in 2025 as the Liquid Natural Gas (LNG) Canada facility is expected to be operational by middle of 2025. This facility will create new demand and export market aside from Eastern Canada and United States.



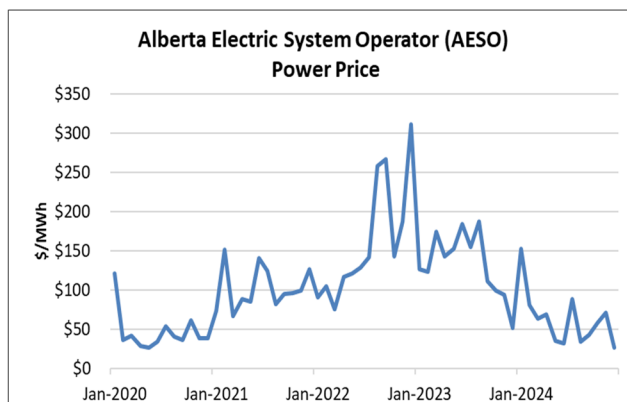
## Oil



Oil prices have stabilized in 2024 compared to the fluctuations seen in prior years and are anticipated to remain stable through 2025. There is potential for prices to drop with US trade tariffs that would result in a further discount of \$2 to \$5. City of Medicine Hat has limited oil exposure. There are only two remaining oil wells in service as the Manyberries field is currently in the abandonment and reclamation stage.

## Power

Power prices in 2024 decreased compared to the previous two years and are trending back to 2016 price levels. System Marginal Price (SMP) ended 2024 at \$62.74/MWh which is a \$70.89/MWh drop from 2023. The decrease was caused by the Alberta grid which had three major generation projects come online in 2024 that resulted in ~2500 MW's of dispatchable generation and ~2000 MW's of renewable generation. In addition, Alberta Electrical System Operator (AESO) was tasked by the Minister of Affordability to redesign Alberta power markets which has created uncertainty amongst generators and has impacted demand.



# Financial Statements and Notes





## **Management's Responsibility for Reporting**

For the Year Ended December 31, 2024

The City of Medicine Hat's management is responsible for the preparation, accuracy, objectivity, and integrity of the accompanying consolidated financial statements and the notes thereto. Management believes that the consolidated financial statements present fairly the City's financial position as at December 31, 2024 and the results of its operations for the year then ended.

The consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards. The consolidated financial statements include certain amounts based on estimates and judgments. Such amounts have been determined on a reasonable basis in order to ensure that the consolidated financial statements are presented fairly in all material respects.

In fulfilling its responsibilities and recognizing the limits inherent in all systems, management has designed and maintains a system of internal controls to produce reliable information to meet reporting requirements. The system is designed to provide management with reasonable assurance that transactions are properly authorized, reliable financial records are maintained, and assets are properly accounted for and safeguarded.

The City Council carries out its responsibilities for review of the consolidated financial statements principally through its Audit Committee. This committee meets regularly with management and external auditors to discuss the results of audit examinations and financial reporting matters. The external auditors have full access to the Audit Committee with and without the presence of management. The City Council has approved the consolidated financial statements.

The consolidated financial statements have been audited by the independent firm of MNP LLP, Chartered Accountants. Their report to Her Worship the Mayor with the members of Council of the City of Medicine Hat, outlines the scope of their examination and provides their opinion on the consolidated financial statements.

*Ann Mitchell*

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City Manager

April 22, 2025

*Jilian Campbell*

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Chief Financial Officer

To the Members of Council of City of Medicine Hat:

## Report on the Audit of the Consolidated Financial Statements

### Opinion

We have audited the consolidated financial statements of City of Medicine Hat and its subsidiaries (the "City"), which comprise the consolidated statement of financial position as at December 31, 2024, and the consolidated statements of operations, remeasurement gains and losses net financial assets and cash flows for the year then ended, and notes and schedules to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the City as at December 31, 2024, and the results of its consolidated operations, net financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the City in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report is included within the 2024 Financial Report information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the City's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the City or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the City's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the City's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the City to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the City as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.



We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### **Report on Other Legal and Regulatory Requirements**

Debt Limit Regulation:

In accordance with Alberta Regulation 255/2000, we confirm that the City is in compliance with the Debt Limit Regulation. A detailed account of the City's debt limit can be found in Note 11.

Supplementary Accounting Principles and Standards Regulation:

In accordance with Alberta Regulation 313/2000, we confirm that the City is in compliance with the Supplementary Accounting Principles and Standards Regulation and note the information required can be found in Note 17.

Medicine Hat, Alberta

April 22, 2025

*MNP LLP*

Chartered Professional Accountants

# CONSOLIDATED

## Statement of Financial Position

As at December 31, 2024 (in thousands of dollars)

	2024	2023
<b>Financial assets</b>		
Cash and cash equivalents (Note 2)	\$ 42,058	\$ 66,386
Accounts receivable, net of allowances (Note 3)	53,968	51,796
Investments, loans and advances (Note 4)	711,720	666,659
Land and other assets held for resale (Note 5)	10,691	10,333
Inventories for resale (Note 6)	106	144
Deposits (Note 7)	3,743	5,032
<b>Total financial assets</b>	822,286	800,350
<b>Liabilities</b>		
Trade accounts payable	45,535	30,480
Accrued liabilities (Note 8)	24,439	21,300
Deferred revenue (Note 9)	27,961	45,048
Long-term debt (Note 11)	363,118	389,654
Asset retirement obligation (Note 12)	137,672	254,568
Other long-term liabilities (Note 13)	36,266	31,768
<b>Total liabilities</b>	634,991	772,818
<b>Net financial assets</b>	187,295	27,532
<b>Non-financial assets</b>		
Inventories for consumption	19,086	18,633
Prepaid assets	17,913	3,697
Land held for future development (Note 14)	18,981	17,560
Tangible capital assets (Schedule 1) (Note 15)	1,444,919	1,435,449
<b>Total non-financial assets</b>	1,500,899	1,475,339
<b>Total accumulated surplus</b>	<b>\$ 1,688,194</b>	<b>\$ 1,502,871</b>
<b>Accumulated surplus consists of the following:</b>		
Accumulated surplus (Note 16)	1,662,749	1,517,401
Accumulated remeasurement gains (losses)	25,445	(14,530)
<b>Total accumulated surplus</b>	<b>\$ 1,688,194</b>	<b>\$ 1,502,871</b>
Commitments, operating and capital (Notes 20 and 22)		
Contingent asset and liabilities (Note 23)		
Contractual rights (Note 24)		

*The accompanying notes are an integral part of these financial statements.*









# CONSOLIDATED

## Statement of Cash Flows

*For the year ended December 31, 2024 (in thousands of dollars)*

	2024	2023
<b>Net inflow (outflow) of cash related to the following activities:</b>		
<b>Operating</b>		
Annual surplus	\$ 145,348	\$ 62,968
Non-cash items included in deficiency of revenues over expenses:		
Amortization of tangible capital assets	84,605	84,672
Decrease (increase) in tangible capital assets	115,326	(18,783)
Impairments (recoveries)	(96,419)	13,941
Loss on disposal of tangible capital assets	802	712
Developers contribution of tangible capital assets	(1,195)	(625)
Non-cash items relating to capital and investing activities:		
Unrealized gain (loss) on financial instruments	39,975	(14,530)
Non-cash changes to operations (net change):		
Decrease (increase) in accounts receivable	(2,172)	45,727
Decrease (increase) in land and other assets held for resale	(672)	190
Decrease in inventories for resale	38	7
Decrease (increase) in deposits	1,289	(3,866)
Increase (decrease) in trade accounts payable	15,055	(25,118)
Increase (decrease) in accrued liabilities	3,139	(5,117)
Decrease in deferred revenue	(17,087)	(13,420)
Increase (decrease) in asset retirement obligations	(116,896)	37,482
Increase in other long-term liabilities	4,498	4,011
Increase in inventories for consumption	(453)	(3,013)
Increase in prepaid assets	(14,216)	(780)
Increase in land held for future development	(1,421)	(272)
<b>Cash provided by operating transactions</b>	<b>159,544</b>	<b>164,186</b>
<b>Capital</b>		
Acquisition of tangible capital assets	(112,790)	(85,431)
Proceeds from sale of tangible capital assets	515	83
<b>Cash applied to capital transactions</b>	<b>(112,275)</b>	<b>(85,348)</b>
<b>Investing</b>		
Increase in investments, loans and advances	(45,061)	(27,713)
<b>Cash applied to investing transactions</b>	<b>(45,061)</b>	<b>(27,713)</b>
<b>Financing</b>		
Long-term debt issued and assumed	-	-
Long-term debt repaid	(26,536)	(28,927)
<b>Cash applied to financing transactions</b>	<b>(26,536)</b>	<b>(28,927)</b>
<b>Change in cash and equivalents during the year</b>	<b>(24,328)</b>	<b>22,198</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>66,386</b>	<b>44,188</b>
<b>Cash and cash equivalents, end of year</b>	<b>42,058</b>	<b>66,386</b>

*The accompanying notes are an integral part of these financial statements.*

**CONSOLIDATED**  
**SCHEDULE OF TANGIBLE CAPITAL ASSETS**  
*As at December 31, 2024 (in thousands of dollars)*

	Land	Land Improvements	Buildings	Engineered Structures	Gas & Oil Properties	Machinery, Equipment & Furnishings	Vehicles	2024	2023
<b>Cost:</b>									
Balance, beginning of year	\$ 48,448	\$ 175,713	\$ 398,469	\$ 1,648,114	\$ 768,251	\$ 140,782	\$ 56,820	\$ 3,236,597	\$ 3,153,891
Acquisition of tangible capital assets	501	1,579	23,296	49,064	1,029	3,559	2,400	81,428	72,975
Construction-in-progress	-	5,111	450	25,245	(340)	2,983	863	34,312	13,081
Reclassify to held for sale	-	-	-	-	(1,755)	-	-	(1,755)	-
Disposal of tangible capital assets	-	(84)	(542)	(3,142)	-	(1,813)	(756)	(6,337)	(3,012)
Recoveries (impairment) of tangible capital assets	-	-	-	47	96,733	(47)	-	96,733	(19,121)
Increase (decrease) in tangible capital assets	-	-	(714)	(1,330)	(113,282)	-	-	(115,326)	18,783
<b>Balance, end of year</b>	<b>48,949</b>	<b>182,319</b>	<b>420,959</b>	<b>1,717,998</b>	<b>750,636</b>	<b>145,464</b>	<b>59,327</b>	<b>3,325,652</b>	<b>3,236,597</b>
<b>Accumulated amortization:</b>									
Balance, beginning of year	-	83,689	139,821	771,940	683,214	87,098	35,386	1,801,148	1,720,069
Annual amortization	-	7,921	10,535	47,426	5,144	9,924	3,655	84,605	83,309
Accumulated amortization on disposals	-	(84)	(280)	(2,563)	-	(1,417)	(676)	(5,020)	(2,230)
<b>Balance, end of year</b>	<b>-</b>	<b>91,526</b>	<b>150,076</b>	<b>816,803</b>	<b>688,358</b>	<b>95,605</b>	<b>38,365</b>	<b>1,880,733</b>	<b>1,801,148</b>
<b>Net book value of tangible capital assets (Note 15)</b>	<b>\$ 48,949</b>	<b>\$ 90,793</b>	<b>\$ 270,883</b>	<b>\$ 901,195</b>	<b>\$ 62,278</b>	<b>\$ 49,859</b>	<b>\$ 20,962</b>	<b>\$ 1,444,919</b>	<b>\$ 1,435,449</b>
<b>2023 net book value of tangible capital assets (Note 15)</b>	<b>\$ 48,448</b>	<b>\$ 92,024</b>	<b>\$ 258,648</b>	<b>\$ 876,173</b>	<b>\$ 85,038</b>	<b>\$ 53,684</b>	<b>\$ 21,434</b>	<b>\$ 1,435,449</b>	

*The accompanying notes are an integral part of these financial statements.*

# CONSOLIDATED

## Schedule 2

### Schedule of Municipal Taxes For the year ended December 31, 2024 (in thousands of dollars)

	2024 Budget	2024	2023
<b>Taxation</b>			
Real property taxes	\$ 110,308	\$ 109,269	\$ 103,997
Linear property taxes	628	628	639
Special assessments and local improvement taxes	236	224	279
	111,172	110,121	104,915
<b>Requisitions</b>			
Alberta School Foundation	22,757	22,780	21,582
Catholic Board of Education	4,039	4,045	3,918
Cypress View Foundation	1,275	1,276	1,247
Designated Industrial Property	32	32	31
	28,103	28,133	26,778
<b>Municipal taxes</b>	<b>\$ 83,069</b>	<b>\$ 81,988</b>	<b>\$ 78,137</b>

*The accompanying notes are an integral part of these financial statements.*



**Consolidated Schedule of Segmented Disclosures (Note 26)**  
**For the year ended December 31, 2024 (in thousands of dollars)**

**Schedule 4**

	<b>Tax Supported</b>	<b>Reserve Fund</b>	<b>Gas Utility</b>	<b>Electric Utility</b>	<b>Water Utility</b>	<b>Sewer Utility</b>	<b>Solid Waste Utility</b>	<b>Land</b>	<b>Consolidation Adjustments</b>	<b>2024 Consolidated</b>
<b>Revenue</b>										
Municipal taxes	\$ 87,287	\$ -	\$ -	\$ -	\$ 113	\$ 113	\$ -	\$ -	\$ (5,525)	\$ 81,988
Sales of services	19,606	-	44,880	161,392	25,220	24,578	10,494	2,282	(28,706)	259,746
Investment income	40,882	2,716	9,542	-	-	-	-	-	-	53,140
Licenses, fines and penalties	5,351	-	-	-	-	-	-	-	-	5,351
Insurance recovery	333	-	-	-	-	-	-	-	-	333
Development levies	182	-	267	609	-	-	-	-	-	1,058
Government transfers for operating	7,981	-	-	3	-	-	-	-	-	7,984
Other	7,242	-	375	8,420	52	26	423	850	1,494	18,882
Internal recoveries	26,601	-	115	2,134	777	19	2,832	130	(32,608)	-
Contribution from reserves	8,831	167,034	4,964	-	7,950	-	239	-	(189,018)	-
Transfer from Utilities and Land	3,150	-	-	-	-	-	-	-	(3,150)	-
	207,446	169,750	60,143	172,558	34,112	24,736	13,988	3,262	(257,513)	428,482
<b>Expenses</b>										
Salaries, wages and benefits	112,536	-	6,092	17,516	7,021	4,676	3,105	473	-	151,419
Contracted and general services	37,282	169	7,676	17,422	832	1,000	2,749	218	-	67,348
Materials, goods and utilities	11,049	-	1,008	12,617	1,552	1,857	155	2,534	(2,635)	28,137
Provisions for allowances	30	-	548	123	38	32	17	-	-	788
Bank charges and short term interest	267	-	129	3	-	-	6	47	-	452
Interest on long-term debt	869	-	1,038	4,285	2,897	2,924	29	18	-	12,060
Total grants and other transfers	5,016	-	-	-	-	-	-	-	-	5,016
Other operating expenses	2,680	-	40,503	9,418	(11)	8	-	-	-	52,598
Amortization of tangible capital assets	40,848	-	7,480	24,584	5,683	4,745	950	315	-	84,605
Impairments/ (recoveries)	-	-	(96,733)	-	-	-	-	314	-	(96,419)
Loss on disposal of tangible capital assets	167	-	22	580	21	11	1	-	-	802
Accretion on asset retirement obligations	59	-	7,420	(119)	5	2	373	-	-	7,740
Internal charges and transfers	6,406	-	7,715	35,000	5,969	4,482	4,912	786	(65,270)	-
Contribution to reserves	-	24,984	150,162	10,214	2,756	2,062	-	1,840	(192,018)	-
	217,209	25,153	133,060	131,643	26,763	21,799	12,297	6,545	(259,923)	314,546
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ (9,763)</b>	<b>\$ 144,597</b>	<b>\$ (72,917)</b>	<b>\$ 40,915</b>	<b>\$ 7,349</b>	<b>\$ 2,937</b>	<b>\$ 1,691</b>	<b>\$ (3,283)</b>	<b>\$ 2,410</b>	<b>\$ 113,936</b>
<b>Other</b>										
Contributed assets	\$ 195	\$ -	\$ -	\$ -	\$ -	\$ 1,000	\$ -	\$ -	\$ -	\$ 1,195
Government transfers for capital	11,985	-	80	139	16,690	923	400	-	-	30,217
<b>Total other</b>	<b>12,180</b>	<b>-</b>	<b>80</b>	<b>139</b>	<b>16,690</b>	<b>1,923</b>	<b>400</b>	<b>-</b>	<b>-</b>	<b>31,412</b>
<b>Annual surplus (deficit)</b>	<b>\$ 2,417</b>	<b>\$ 144,597</b>	<b>\$ (72,837)</b>	<b>\$ 41,054</b>	<b>\$ 24,039</b>	<b>\$ 4,860</b>	<b>\$ 2,091</b>	<b>\$ (3,283)</b>	<b>\$ 2,410</b>	<b>\$ 145,348</b>

*The accompany notes are an integral part of these financial statements.*



# Consolidated Schedule of Segmented Disclosures (Note 26)

# Schedule 4

For the year ended December 31, 2023 (in thousands of dollars)

	Tax Supported	Reserve Fund	Gas Utility	Electric Utility	Water Utility	Sewer Utility	Solid Waste Utility	Land	Consolidation Adjustments	2023 Consolidated
<b>Revenue</b>										
Municipal taxes	\$ 83,322	\$ -	\$ -	\$ -	\$ 113	\$ 113	\$ -	\$ -	\$ (5,411)	\$ 78,137
Sales of services	19,117	-	72,330	269,459	25,551	23,849	10,241	1,891	(53,411)	369,027
Investment income	17,494	-	5,838	-	-	-	-	-	-	23,332
Licenses, fines and penalties	4,464	-	-	-	-	-	-	-	-	4,464
Insurance recovery	129	-	-	-	-	-	-	-	-	129
Development levies	503	-	182	636	-	-	-	-	-	1,321
Government transfers for operating	6,484	-	-	6,463	-	-	-	-	-	12,947
Other	7,519	-	1,327	8,957	68	26	1,423	812	1,348	21,480
Internal recoveries	26,054	-	32	1,850	1,196	8	2,575	905	(32,620)	-
Contribution from reserves	40,000	149,142	2,918	-	-	-	-	-	(192,060)	-
Transfer from Utilities and Land	3,150	-	-	-	-	-	-	-	(3,150)	-
	208,236	149,142	82,627	287,365	26,928	23,996	14,239	3,608	(285,304)	510,837
<b>Expenses</b>										
Salaries, wages and benefits	103,647	-	6,692	16,446	6,517	4,633	2,845	388	-	141,168
Contracted and general services	33,132	-	6,039	15,435	844	672	2,631	115	-	58,868
Materials, goods and utilities	7,955	-	614	11,268	1,979	1,692	129	2,118	(1,546)	24,209
Provisions for allowances	30	-	164	123	38	32	17	-	-	404
Bank charges and short term interest	245	-	101	3	-	-	5	43	-	397
Interest on long-term debt	980	-	1,104	4,620	3,138	3,138	34	-	-	13,014
Total grants and other transfers	4,703	-	-	-	-	-	-	-	-	4,703
Other operating expenses	35,030	-	60,229	28,190	20	-	-	-	-	123,469
Amortization of tangible capital assets	40,840	-	6,434	26,019	5,139	4,853	1,076	311	-	84,672
Impairments/ (recoveries)	-	-	13,941	-	-	-	-	-	-	13,941
Loss on disposal of tangible capital assets	213	-	45	13	12	348	2	-	-	633
Accretion on asset retirement obligations	476	-	6,392	687	35	16	345	-	-	7,951
Internal charges and transfers	8,650	-	7,005	57,153	5,920	4,473	5,126	699	(89,026)	-
Contribution to reserves	-	46,634	-	138,069	4,259	4,403	930	765	(195,060)	-
	235,901	46,634	108,760	298,026	27,901	24,260	13,140	4,439	(285,632)	473,429
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ (27,665)</b>	<b>\$ 102,508</b>	<b>\$ (26,133)</b>	<b>\$ (10,661)</b>	<b>\$ (973)</b>	<b>\$ (264)</b>	<b>\$ 1,099</b>	<b>\$ (831)</b>	<b>\$ 328</b>	<b>\$ 37,408</b>
<b>Other</b>										
Contributed assets	\$ 220	\$ -	\$ -	\$ -	\$ 405	\$ -	\$ -	\$ -	\$ -	\$ 625
Government transfers for capital	9,651	-	559	81	11,762	2,882	-	-	-	24,935
<b>Total other</b>	<b>9,871</b>	<b>-</b>	<b>559</b>	<b>81</b>	<b>12,167</b>	<b>2,882</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>25,560</b>
<b>Annual surplus (deficit)</b>	<b>\$ (17,794)</b>	<b>\$ 102,508</b>	<b>\$ (25,574)</b>	<b>\$ (10,580)</b>	<b>\$ 11,194</b>	<b>\$ 2,618</b>	<b>\$ 1,099</b>	<b>\$ (831)</b>	<b>\$ 328</b>	<b>\$ 62,968</b>

The accompany notes are an integral part of these financial statements.











































# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

(in thousands of dollars)

## 1. Unrestricted Surplus

The unrestricted surplus represents accumulated surpluses from operations, which have not been designated by City Council for any specific use.

UNRESTRICTED SURPLUS (DEFICIT)	2024	2023
General Government	\$ 9,317	\$ 9,171
Gas	51,311	215,971
Electric	(11,377)	(16,304)
Water	14,475	16,210
Sewer	7,464	7,137
Solid Waste	18,944	16,773
Land	24,400	25,008
<b>TOTAL</b>	<b>\$ 114,534</b>	<b>\$ 273,966</b>

## 2. Restricted Surplus

During the year, The City of Medicine Hat amended the Financial Reserve Policy No. 0168 and the Distributable Funds/Dividend Policy No. 0169, both of which were adopted by Council on October 7, 2024. The primary changes were to add two new reserves, the Abandonment Obligation and Energy Transition reserves and changed the name of the Heritage Savings Reserve to the Medicine Hat Endowment Fund.

The objective of these policies is to promote strong financial leadership and planning to encourage long term sustainability of the Corporation. The policies require earnings are retained at a level to account for all administration, operation, sustaining capital and maintenance costs of existing equipment required to provide the current level of service in each business unit. As well, the policies require that distributable funds (free cash flow) are provided to fund financial reserves for financing future growth capital and future asset retirement obligations, energy transition requirements, supporting asset management planning, and planning for operational contingencies.

The Financial Reserve Policy established the following reserves:

- Operating Reserve Fund is to stabilize fluctuations in operating activity and to address the risk of revenue or expenditure volatility.
- Capital Reserve Fund is to support the funding of the City's capital requirements.
- Medicine Hat Endowment Fund is to provide an endowment fund for the benefit of the citizens of the City. This benefit will be provided through the following three general streams: Financial Sustainability, Economic Evolution and Community Livability in alignment with the strategic plan of Council.
- Abandonment Obligations Reserve Fund is to support the funding of the City's asset retirement obligations.
- Energy Transition Reserve Fund is to support the funding of the transition of the City's energy infrastructure to achieve a net zero emissions target as prescribed by the provincial and federal government.

The distributable funds/dividends are allocated in a tiered priority to the various reserves in accordance with the Financial Reserve Policy.

RESTRICTED SURPLUS - RESERVES	Balance 2023	2024 Additions	2024 Reductions	Balance 2024
Operating	\$ 31,972	\$ 19,696	\$ 16,231	\$ 35,437
Capital	226,713	19,357	37,599	208,471
Medicine Hat Endowment Fund	193,523	14,109	-	207,632
Abandonment Obligations	-	76,273	-	76,273
Energy Transition	-	76,273	-	76,273
<b>TOTAL</b>	<b>\$ 452,208</b>	<b>\$ 205,708</b>	<b>\$ 53,830</b>	<b>\$ 604,086</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

(in thousands of dollars)

## 3. Equity in Tangible Capital Assets

EQUITY IN TANGIBLE CAPITAL ASSETS	2024	2023
Tangible capital assets (Schedule 1)	\$ 3,325,652	\$ 3,236,597
Accumulated amortization (Schedule 1)	(1,880,733)	(1,801,148)
Asset Retirement Obligation (Note 12)	(137,672)	(254,568)
Long-term debt (Note 11)	(363,118)	(389,654)
<b>TOTAL</b>	<b>\$ 944,129</b>	<b>\$ 791,227</b>

## NOTE 17: SALARY AND BENEFITS DISCLOSURE

Disclosure of salaries and benefits for municipal officials, the Chief Administrative Officer (CAO), and designated officers as required by provincial regulation 313/2000 is as follows:

	2024 Salary <sup>1</sup>	2024 Benefits & Allowances <sup>2</sup>	Total 2024	2023 Salary <sup>1</sup>	2023 Benefits & Allowances <sup>2</sup>	Total 2023
Mayor Linnsie Clark	\$ 154	\$ 33	\$ 187	\$ 148	\$ 31	\$ 179
Councillor:						
Dumanowski, R	50	16	66	48	13	61
Hirsch, D	49	11	60	48	11	59
Knodel, A	51	11	62	49	5	54
Hider, C	51	16	67	49	12	61
Robins, R	50	14	64	48	15	63
Sharps, S	51	24	75	49	20	69
Van Dyke, A	49	16	65	48	13	61
McGrogan, A	49	18	67	48	22	70
Chief Administrative Officer (CAO) <sup>3</sup>	317	44	361	280	59	339
Designated Officers (10)	1,333	243	1,576	1,343	246	1,589

<sup>1</sup> Salary includes regular base pay and vacation payouts.

<sup>2</sup> Benefits and Allowances includes employer's share of all employee benefits and contributions or payments made on behalf of employees (where applicable) including retirement pension, Canada Pension Plan, Employment Insurance, health care, dental coverage, vision coverage, group life insurance, accidental disability and dismemberment insurance, long and short-term disability plans, expense reimbursements, per diem payments, travel reimbursements, professional memberships, and conferences.

<sup>3</sup> Chief Administrative Officer (CAO) – 2023 salary amount is lower due to the CAO position not being filled until February 2023.

## NOTE 18: LOCAL AUTHORITIES AND SPECIAL FORCES PENSION PLANS

Employees of the City of Medicine Hat, with the exception of Police Officers, participate in the Local Authorities Pension Plan (LAPP), which is one of the plans covered by the *Public Sector Pension Plans Act*. LAPP serves 304,451 members in 2023 (291,259 in 2022) and 444 employers in 2023 (437 in 2022). The Police Officers are members of the Special Forces Pension Plan (SFPP) and serves 8,034 members in 2023 (7,812 in 2022) and 8 employers (2022 – 7). The Plans are financed by employer and employee contributions and investment earnings of the LAPP and SFPP Fund.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

(in thousands of dollars)

During 2024, the City of Medicine Hat was required to make current service contributions to the Local Authorities Pension Plan of 8.45 percent (2023 – 8.45 percent) of pensionable earnings up to the Canada Pension Plan Year's Maximum Pensionable Earnings and 11.65 percent (2023 – 12.23 percent) for the excess. With regard to the Special Forces Pension Plan, the City of Medicine Hat was required to make service contributions of 14.55 percent (2023 - 14.55).

Total current service contributions by the City of Medicine Hat to LAPP and SFPP in 2024 were \$11,044 (2023 - \$10,807). Total current service contributions by the employees for 2024 were \$9,940 (2023 - \$9,757).

At December 31, 2023 LAPP disclosed an actuarial surplus of \$15.1 billion (2022 - surplus of \$12.7 billion).

At December 31, 2023 SFPP disclosed an actuarial surplus of \$553.1 million (2022 – surplus of \$265.3 million).

### **NOTE 19: EMPLOYEE BENEFIT OBLIGATIONS**

The City has a defined benefit life insurance plan covering substantially all of its employees. The plan is unfunded. In 2024, an actuarial accounting valuation for the plan was performed for the year ended December 31, 2024 with a projection for 2025. The 2024 valuation gave rise to an actuarial gain which will begin amortization in 2025. The unamortized balance is \$1,671 (2023 - \$2,031). Information about the plan is as follows:

	2024	2023
<b>Accrued Benefit Obligation</b>		
Balance, Beginning of Year	\$ 7,650	\$ 7,645
Current Service Cost	142	135
Interest Cost	284	271
Benefits Paid	(131)	(168)
Amortization of net actuarial gain	(233)	(233)
<b>BALANCE, END OF YEAR (Note 13)</b>	<b>\$ 7,712</b>	<b>\$ 7,650</b>

The significant actuarial assumptions adopted in measuring the City's accrued benefit obligation are as follows:

	2024	2023
Discount Rate	4.80%	5.05%
Rate of Compensation Increases	3.00%	3.00%
Expected Average Remaining Service Life	8.72 years	9.72 years

### **NOTE 20: OPERATING COMMITMENTS**

The City of Medicine Hat is committed to purchase natural gas and electrical energy under existing purchase contracts. The commitment for 2024 was \$26,551 (Gas) and \$10,009 (Electric) (2023 - \$20,747 and \$9,866 respectively).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

(in thousands of dollars)

## NOTE 21: OPERATING BUDGET

Operating budget data presented in these consolidated financial statements are based upon the 2024 operating budget approved by Council. Adjustments to budgeted values were required to provide a comparative budget value based on the full accrual basis of accounting and reconciles the approved operating budget with the budget figures as presented in these consolidated statements. Note 22 provides the approved capital budget for 2024.

	2024 Budget
<b>Revenue</b>	
Approved operating budgets	\$ 561,259
Adjustments	(100,055)
	461,204
<b>Expense</b>	
Approved operating budgets	595,185
Adjustments	(166,361)
	428,824
<b>Other revenue</b>	
Government transfers for capital	10,815
	10,815
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>\$ 43,195</b>

## NOTE 22: CAPITAL COMMITMENTS

### (A) 2024 CAPITAL BUDGET

Following guidelines set out by the Public Sector Accounting Board, the budget reported on the Statement of Change in Net Financial Debt is the 2024 approved Capital Budget. The actual expenditures of \$113,985 (2023 - \$86,126) includes amounts carried forward from previous budget years, costs related to the 2024 budget and developer contributions of tangible capital assets. In 2024, actual expenditures are presented net of properties held for sale.

### (B) INCOMPLETE CAPITAL PROJECTS

As at December 31, 2024 a number of capital projects were in progress and will be completed in 2025 or subsequent years. The unexpended appropriation related to these projects is \$299,802 (2023 - \$312,618). Significant projects are:

- Gas Utility**  
 Drilling and Completions (\$5,192), Well Abandonments (\$94,517) Projects Operated by Third Parties (\$3,153), Pipelines and Wells (\$6,263), Carbon Capture (\$10,295) and Distribution Systems (\$1,206).
- Electric Utility**  
 Generator Rotor Replacement (\$5,631), Turbine Overhauls (\$19,057), Control Cable Replacement (\$2,410), Unit 14 Hot Section Replacement (\$4,125), Energy Business Development (\$6,889), Clear Horizon Carbon Capture (\$4,551), MHS-11 Substation (\$22,378), Transmission Line Capacity Upgrades (\$1,096) and Distribution Systems (\$2,052).
- Municipal Works**  
 Transportation Infrastructure Rehabilitation (\$1,269), Bridge Rehabilitation (\$718), Storm Sewer Rehabilitation Program (\$2,203), Infrastructure Rehabilitation Program (\$4,502).
- Parks and Recreation**  
 Irrigation Infrastructure Program and upgrade (\$1,382), Indoor/Outdoor Facilities Infrastructure Program (\$524), Infrastructure Rehabilitation Program (\$130).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

(in thousands of dollars)

- **Fleet and Facilities**

City Hall Humidification Replacement (\$1,193), Hill Pool Components Lifecycle (\$1,013), and vehicle and equipment purchases (\$12,734).

- **Information Technology**

Operational Technology (OT) Network Refresh and OT Cybersecurity Controls (\$800).

- **Water Utility**

Water Main Replacements (\$3,401), Water Distribution Upgrades (\$731), Waste Solids Handling Facility (\$6,477).

- **Sewer Utility**

Sewer Main Asset Management Program (\$2,863), Lift Station Facility Upgrade (\$1,460), Brier Park Gravity Bypass (\$1,813).

- **Solid Waste Utility**

Food Waste Pilot (\$493).

- **Land Development and Real Estate**

Unspent budgets relating to subdivisions being developed for sale include Ranchlands (\$14,212), Southlands (\$609), Riverwalk (\$2,136), Airport (\$1,789), Brier Run (\$13,388), and NW Industrial Park (\$12,845).

## (C) CAPITAL PLAN

The following is the City Council approved 2024 Capital Plans with projections for 2025 – 2034 for the Gas Utility, Electric Utility, Environmental Utilities, Municipal Services, and Land and Real Estate:

2024 Budget	109,357
2025 Projection	99,439
2026 - 2034 Projection	1,225,965
<b>TOTAL</b>	<b>\$ 1,434,761</b>

Financing sources identified:

	2024	2025
Government Grants	\$ 9,250	\$ 13,642
Current Revenues	46,716	33,658
Debentures		
Tax Supported	22,598	-
Utilities Rate Supported	15,819	21,005
Reserves	14,974	30,234
Direct Charges and Other	-	900
<b>TOTAL</b>	<b>\$ 109,357</b>	<b>\$ 99,439</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

(in thousands of dollars)

### **NOTE 23: CONTINGENT ASSETS AND LIABILITIES**

#### **(A) Contingent Assets**

Contingent assets are disclosed, when a future event is likely to confirm the existence of the asset. These possible assets arise from conditions existing as at the financial statement date or situations involving current uncertainty.

The City has not disclosed an asset for certain future events as the dates of reimbursement and the extent of the settlements cannot be reasonably determined at this time.

#### **(B) Contingent Liabilities**

Various claims have been made against the City as at December 31, 2024. If proven, it is possible that these claims may have a material adverse effect on the financial position of the City. The City is disputing the claims and as the outcome is not determinable at this time, no amount has been accrued in the financial statements.

The City has not recognized a liability for certain legal obligations, primarily environmental and other liabilities related to facilities, equipment, and land. The liabilities are not recognized as the dates of the remediation and estimated costs are unknown and as such the fair value of these liabilities cannot be reasonably determined.

Contaminated sites are not accrued as liabilities in the Consolidated Statement of Financial Position, if there is uncertainty about one or more of the following: the contamination exceeding a standard, expected future costs, or the party responsible for the contamination. Continued efforts to assess contaminated sites may result in additional environmental liabilities related to newly identified sites or changes in the assessments of existing sites. Any additional liabilities will be accrued in the year in which they become known and can be reasonably estimated.

#### **Southridge Recreation and Wellness Centre:**

In the event that the YMCA defaults in respect to its duties and obligations under the agreement between the YMCA as Operator of the Southridge complex and the City of Medicine Hat as Landlord, or in the event the YMCA's term as Operator is terminated by way of voluntary or involuntary termination, the City is required to return to the YMCA the value of all its initial contribution at construction of \$1,800, together with an additional contribution at opening of \$24. However, if the relationship naturally expires in 2044, no repayment is required.

There has been an additional \$1,200 contributed by the YMCA through a 2016 Budget Amendment approved by Council, for the renovation and expansion of the weight and cardio room at the complex. In the event that the YMCA defaults in respect to its duties and obligations under the agreement between the YMCA as Operator of the Southridge complex and the City of Medicine Hat as Landlord, or in the event the YMCA's term as Operator is terminated by way of voluntary or involuntary termination, the City is required to return to the YMCA the unamortized amount (according to the agreement) in that calendar year.

The above contingent liabilities for The Southridge Recreation and Wellness Centre are not accrued as liabilities in the Consolidated Statement of Financial Position as there is uncertainty of whether the agreement will terminate prior to 2044.

### **NOTE 24: CONTRACTUAL RIGHTS**

The City has entered into the following agreements:

- a) Property development agreements, which require the developers to contribute various infrastructure assets to the City. The timing and extent of these future contributions will vary depending on development activity and fair value of the assets received at time of contribution and therefore cannot be reasonably determined at this time.
- b) Utility agreements to sell natural gas, crude oil, and electricity production to third parties. The timing and extent of future revenues will vary due to uncertain commodity market prices and volumes and therefore cannot be reasonably determined at this time.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

(in thousands of dollars)

## NOTE 25: FINANCIAL RISK MANAGEMENT

The City's Financial Reserve Policy #0169 serves as another mechanism to mitigate financial risk exposure.

The City is subject to certain risks due to its operating environment:

### a) Market Risk

Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices. Market risk is comprised of three types of risks: price risk, interest rate risk, and foreign currency risk. The City has policies and procedures in place governing asset mix, asset allocation and performance measurement. The City's risk management processes have not changed from the prior year.

The City engages in certain hedging activities to mitigate the financial risk exposure that market price changes can have. Hedging Policy #0159 provides the framework for guiding this risk management activity at the City. The policy outlines a set of triggers that guide hedging activities for each business unit and their specific requirements; this includes stabilizing the cost of commodities and/or stabilizing revenues and maintaining reliable supplies for operations/sales.

#### i) Price Risk

Price risk related to the possibility that equity investments will change in fair value due to future fluctuations in market prices caused by factors specific to an individual equity investment or other factors affecting all equities traded in the market.

The City is exposed to price risk associated with its commodity price exposure, equity investments and underlying equity investments held in pooled equity funds. The commodity price exposure is mitigated through the City's hedging activities.

If equity market indices declined by 1 percent, and all other variables held constant, the potential loss in fair value to the City would be approximately \$3.2 million or 0.4 percent of total investments.

#### ii) Interest Rate Risk

Interest rate risk is the risk that the value of a financial instrument might be affected by a change in market interest rates.

The City is exposed to interest rate risk through its investments in fixed income securities. In general, investment returns for fixed income securities, including bonds and mortgage funds, are sensitive to changes in the level of interest rates, with longer-term interest-bearing securities being more sensitive to interest rate changes than short term securities. The City manages the interest rate risk exposure of its fixed income investments by adjusting portfolio durations. A 1 percent change in market yield related to fixed income securities would have increased or decreased fair value by approximately \$8.8 million.

The fixed income securities have the following average maturity structure:

	2024
0-3 years	32%
3-7 years	37%
7-10 years	19%
Over 10 years	12%
<b>TOTAL</b>	<b>100%</b>

The City has fixed interest rate loans for all debt, thereby mitigating interest rate risk from rate fluctuations over the term of the outstanding debt.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

(in thousands of dollars)

## iii) Foreign Currency Risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The fair value of cash and investments denominated in foreign currencies is translated into Canadian dollars on an annual basis using the reporting date exchange rate.

The City is exposed to foreign exchange fluctuations on its cashflows denominated in foreign currencies and also to changes in the valuation on its assets denominated in foreign currencies attributable to fluctuations in exchange rates. As at December 31, 2024, investments in non-Canadian assets represented 58% of total investments by fair value.

The impact of a change in the value of the Canadian dollar against all foreign currencies is as follows:

	Fair Value	2% Decrease	1% Decrease	1% Increase	2% Increase
Foreign Currency Assets	\$ 439,900	\$ 8,800	\$ 4,400	\$ (4,400)	\$ (8,800)

As at December 31, 2024, the City had two USD foreign exchange fixed contracts in place to hedge the exchange exposure of capital projects. Delivery dates of these contracts range from January 2025 to July 2025.

The City utilizes an external manager, Mesirow Financial Investment Management, to execute an active portfolio hedging strategy designed to efficiently reduce currency risk on assets denominated in foreign currencies. Risks associated with foreign currency inflows and outflows are forecasted, managed, and monitored internally for expected changes in the exchange rates of the various currencies. As at December 31, 2024, the portfolio had 12 forward contracts, with settlement dates of March 19, 2025. The fair market value of these forward contracts is \$3.04 million. The forward contracts had the following rates with the following currencies:

Currency Rates	Currency Types
1 CHF per CAD (0.62545)	CHF - Swiss Franc
1 HKD per CAD (5.5551)	HKD - Hong Kong Dollar
2 CAD per EUR (1.4811)	EUR - Euro
4 CAD per GBP (1.7804)	GBP - British Pound Sterling
4 CAD per USD (1.40337)	USD - United States Dollar

## b) Liquidity Risk

Liquidity risk is the risk that the City will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivery of cash or another financial asset. The City maintains a portfolio of short-term investments with rolling maturity dates to manage short-term cash requirements. The City maintains an unsecured short term operating credit with a commercial bank to ensure funds are available to meet current and forecasted financial requirements.

## c) Credit Risk

The City is exposed to credit risk on investments arising from the potential failure of a counterparty to honour its contractual obligations. To manage the risk, the City has established Investment Policy #0167 with required minimum credit quality standards and maximum exposures per issuer.

The City is subject to credit risk with respect to tax, trade and other receivables. This operational risk arises from the possibility that taxpayers and counterparties to which the City provides services may not be able to fulfil their obligations to the City. The City mitigates these risks through its established internal processes.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

(in thousands of dollars)

### **NOTE 26: SEGMENTED DISCLOSURES**

Segmented disclosures (Schedule 4) are intended to enable users to better understand the government reporting entity and the major expense and revenue activities of the City. For each reported segment, revenues and expenses represent both amounts directly attributable to the segment and amounts that are allocated on a reasonable basis.

The segments have been selected based on a presentation similar to that adopted for the municipal financial planning and budget processes. Segments include:

- a) Tax supported programs consist of those that are directly supported by property taxes, including the tax allocation proved directly to other operations as follows:
  - General Government is comprised of Corporate Administration, Mayoral and Councilor services, City Solicitor, City Clerk, People Services, and Economic Development.
  - Corporate Services is comprised of Finance, Information Technology, Fleet & Facilities, Communications, Engagement & Marketing, and Corporate Planning & Performance.
  - Development & Infrastructure is comprised of Municipal Works, Airport, and Planning & Development Services.
  - Public Services is comprised of Fire & Emergency Services, Community Development, and Parks & Recreation.
  - Police Service comprised of all police services and bylaw enforcement.
- b) Gas Utility produces, sells to market, and distributes natural gas to customers within its franchise boundary in a safe and reliable manner. The utility is operated on a self-sustaining basis.
- c) Electric Utility produces and provides safe, reliable, cost-effective electric energy to the customers of Medicine Hat and surrounding area and provides other related services within the city corporate structure. The utility is operated on a self-sustaining basis.
- d) Water Utility treats and distributes potable water to City of Medicine Hat water customers. The Water department ensures all treated water meets the rigid safety, quality, monitoring, recording, and reporting parameters of Federal, Provincial, water industry and local standards. The utility is operated on a self-sustaining basis.
- e) Sewer Utility collects and treats sanitary wastewater from City of Medicine Hat sewer customers. The Sewer department ensures all treated wastewater meets the rigid safety, environmental, monitoring, recording, and reporting parameters of Federal, Provincial, wastewater industry and local standards. The utility is operated on a self-sustaining basis.
- f) Solid Waste Utility delivers customer-focused services consisting of collection, processing and disposal of residential and non-residential waste and recyclables, as well as community relation services in support of waste management programs. The utility is operated on a self-sustaining basis.
- g) Land Development and Real Estate includes the City's role as a land developer in the areas of acquisition, development, and land sales activities. Municipal use property involves the acquisition of land for municipal purposes and disposal of land deemed surplus to municipal needs. The department is operated on a self-sustaining basis.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

(in thousands of dollars)

The segmented reports display revenue and expenses sorted by accounts. The City's reporting levels are defined as follows:

## A) REVENUE

- **Municipal taxes** include all annual municipal property taxes and excludes all special assessments and requisitions.
- **Sale of services** includes all third-party revenues generated through the normal course of business, including revenues generated by, but not limited to facility usage, parking, natural gas, electric, water, sewer and solid waste revenues and sale of land.
- **Investment income** includes all investment revenue earned on account of short-term and long-term deposits and investments.
- **Licenses, fines and penalties** includes all revenue received for business licenses, development permits, photo radar tickets, speeding tickets, and penalties charged on overdue accounts.
- **Insurance recovery** includes monies received on account of City insurance claims.
- **Development levies** are charges to developers to help cover the cost of city services provided to their development.
- **Government transfers for operating** include provincial and/or federal transfers provided to the City to fund operating activities.
- **Other** includes any minor sources of revenue not appropriately categorized above.
- **Internal recoveries** include recoveries for services provided by one City department to another.
- **Contribution from reserves** includes funds transferred from reserves as per the Financial Reserve Policy #0168 and the Distributable Funds/Dividend Policy #0169. The funds are transferred to a corporate reserve fund before being distributed to business units and allocated to the appropriate restricted reserves.
- **Transfers from Utilities and Land** include contributions from Utilities and Land to tax supported operations.

## B) EXPENSES

- **Salaries, wages, and benefits** include all salaries, wages (including overtime, statutory holidays, shift differential, relief time), employee benefit charges, clothing and cleaning allowance, car allowance, training, travel and memberships and dues.
- **Contracted and general services** include all contracts and other costs relating to services provided by third parties.
- **Materials, goods, and utilities** include items purchased from a third party or issued from stores and natural gas, electric, water, sewer and solid waste costs.
- **Provisions for allowances** include provisions made for anticipated uncollectible accounts receivable.
- **Bank charges and short-term interest** include regular bank charges on the City's bank accounts, automated teller machines at various facility sites and interest charges on our line of credit.
- **Interest on long-term debt** includes interest charge on the principal portion of loans.
- **Total grants and other transfers** include grants from the City to other organizations or individuals as well as transfers on behalf of other organizations.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

(in thousands of dollars)

- **Other operating expenses** include any minor operating expenses not appropriately categorized above.
- **Amortization of tangible capital assets** is a way of representing, for accounting purposes, how capital assets decline in value over time because of wear and obsolescence. Hard assets such as roads and machinery depreciate over time and must eventually be replaced. Amortization shows the cost of the “use of the asset” each year over the life of the asset.
- **Accretion on asset retirement obligations** is the periodic recognition of an expense associated with the increase in the present value of the asset retirement obligation liability over time.
- **Impairments** are the expenses recorded to reduce the value of assets, when the assets are worth less on the market than the value listed on the company’s balance sheet. A test is completed each year to compare the carrying amount of the asset to the market value. If the carrying amount is higher than the market value, then the asset is considered impaired and must be written down to its fair value. **Reversal of Impairments** are recorded when factors or circumstances that triggered the original impairment have changed. Impairments can be reversed up to the amount necessary to restore the asset to its pre-impairment carrying amount, less any subsequent depletion and depreciation that would have been recognized.
- **Loss (gain) on disposal of tangible capital assets** reflects the difference between the net proceeds on disposal of a tangible capital asset and the net carrying amount of that asset. If the net carrying amount is higher than the net proceeds on disposal, there is a loss on disposal. If the net carrying amount is lower than the net proceeds on disposal, there is a gain on disposal.
- **Internal charges and transfers** include costs of services provided by one department to another, as well as transfers between City departments.
- **Contribution to reserves** includes funds transferred from the business units to the restricted reserve funds as per the Financial Reserve Policy #0168 and the Distributable Funds/Dividend Policy #0169.

### NOTE 27: COMPARATIVE INFORMATION

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year surplus.

### NOTE 28: SUBSEQUENT EVENTS

Subsequent to December 31, 2024, the City of Medicine Hat has entered into an agreement to sell some of its Gas Production assets to a third party with the effective date being March 5, 2025.

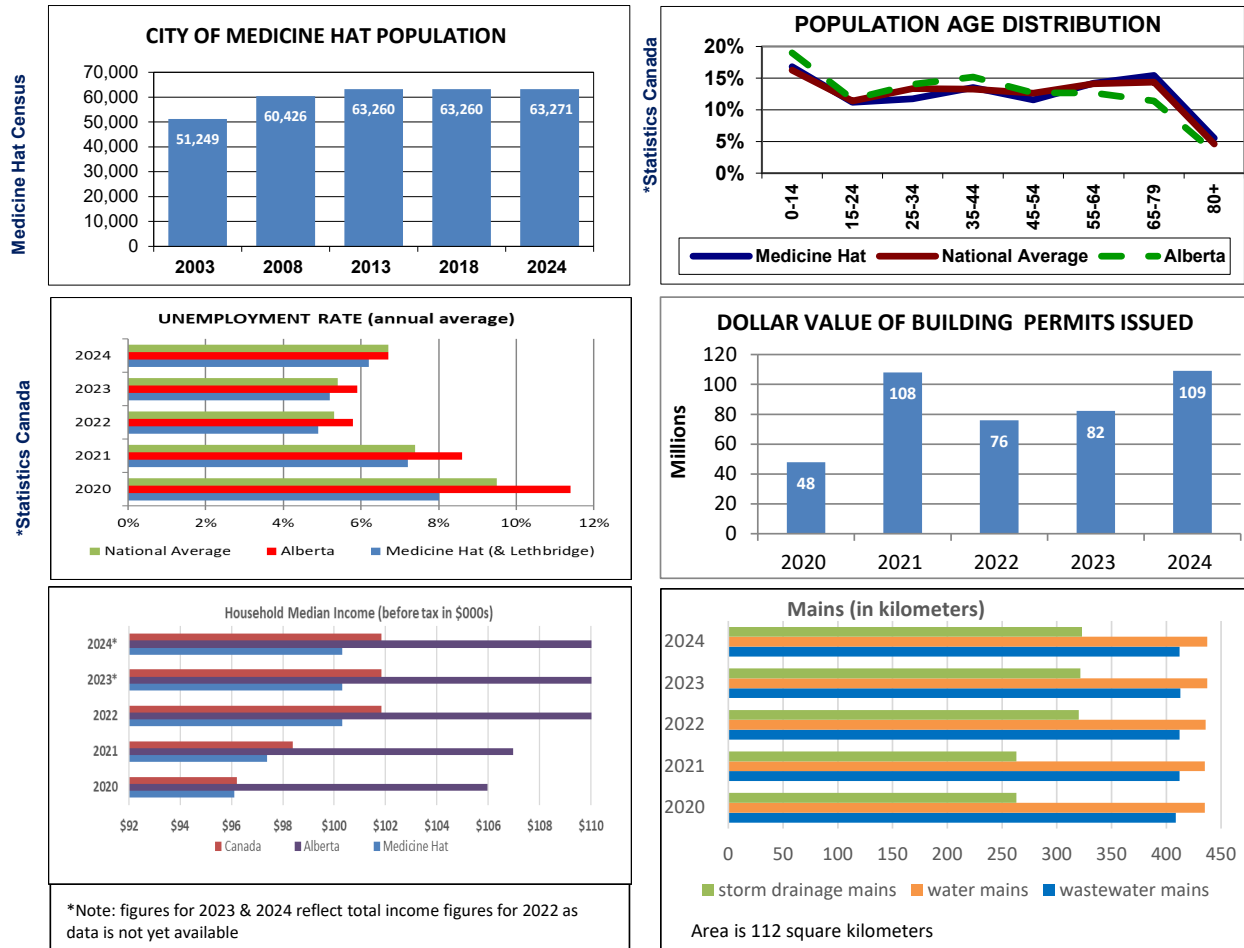
### NOTE 29: APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved by Council.

# Financial and Statistical Schedules (unaudited)

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

## DEMOGRAPHICS & OTHER INFORMATION



### LARGEST CORPORATE TAXPAYERS IN MEDICINE HAT

Medicine Hat Mall Inc	Avenue Living (2014) GP Ltd
The Meadowlands Development Corporation	Cancarb Limited
Skyline Retail Real Estate Holdings Inc	2105657 Alberta Ltd. (Bevo Farms)
South Country Co-op Limited	Wal-Mart Canada Corp
Canadian Tire Properties Inc.	Royop (Southlands) Development Ltd

### LARGEST EMPLOYERS IN MEDICINE HAT

Public	Private
Medicine Hat Regional Hospital	South Country Co-op (all locations)
City of Medicine Hat	The Real Canadian Superstore
Medicine Hat School District	Canadian Pacific Railway
Medicine Hat College	Wal-Mart
Province of Alberta	Goodyear

### CITY OF MEDICINE HAT PERMANENTLY ESTABLISHED POSITIONS 2020 - 2024

	2020	2021	2022	2023	2024
General Government	36	24	26	75	70
Corporate Services	201	149	155	197	195
Public Services	275	257	256	270	281
Police	150	148	154	154	152
Invest Medicine Hat	9	8	8	-	-
Strategy Management & Analysis	20	79	86	-	-
Energy, Land & Environment	313	359	365	177	177
Development & Infrastructure	83	-	-	209	207
<b>Total Permanent Positions</b>	<b>1,087</b>	<b>1,024</b>	<b>1,050</b>	<b>1,082</b>	<b>1,082</b>

Note: As part of the 2023 organizational restructuring, Invest Medicine Hat was split into General Government and Energy, Land & Environment. Strategy Management & Analysis was reallocated to Corporate Services as well as Energy, Land & Environment. Human Resources was moved from Corporate Services to General Government. A number of departments within Energy, Land & Environment was split into Development & Infrastructure.

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

## FINANCIAL COMPARISON 2020 - 2024

(In thousands of dollars)

### STATEMENT OF FINANCIAL POSITION

	2024	2023	2022	2021	2020
<b>Financial assets</b>					
Cash and cash equivalents	\$ 42,058	\$ 66,386	\$ 44,188	\$ 68,004	\$ 62,824
Accounts receivable (net of allowances)	53,968	51,796	97,523	78,551	47,407
Investments, loans & advances	711,720	666,659	638,946	507,362	414,781
Land and other assets held for resale	10,691	10,333	10,523	10,653	35,237
Inventories for resale	106	144	151	140	114
Deposits	3,743	5,032	1,166	3,720	3,094
<b>Total financial assets</b>	<b>822,286</b>	<b>800,350</b>	<b>792,497</b>	<b>668,430</b>	<b>563,457</b>
<b>Liabilities</b>					
Trade accounts payable	45,535	30,480	55,598	36,835	26,084
Accrued liabilities	24,439	21,300	26,417	22,100	34,226
Deferred revenue	27,961	45,048	58,468	61,498	38,642
Long-term debt	363,118	389,654	418,581	406,316	376,072
Asset retirement obligation	137,672	254,568	217,086	278,142	262,197
Other long-term liabilities	36,266	31,768	27,757	26,670	25,526
<b>Total liabilities</b>	<b>634,991</b>	<b>772,818</b>	<b>803,907</b>	<b>831,561</b>	<b>762,747</b>
<b>Net financial assets (debt)</b>	<b>187,295</b>	<b>27,532</b>	<b>(11,410)</b>	<b>(163,131)</b>	<b>(199,290)</b>
<b>Non-financial assets</b>					
Inventories for consumption	19,086	18,633	15,620	14,317	15,191
Prepaid assets	17,913	3,697	2,917	3,102	2,148
Land held for future development	18,981	17,560	17,288	16,479	19,969
Tangible capital assets	1,444,919	1,438,449	1,430,018	1,422,542	1,399,788
<b>Total non-financial assets</b>	<b>1,500,899</b>	<b>1,478,339</b>	<b>1,465,843</b>	<b>1,456,440</b>	<b>1,437,096</b>
<b>Accumulated surplus</b>	<b>\$ 1,688,194</b>	<b>\$ 1,505,871</b>	<b>\$ 1,454,433</b>	<b>\$ 1,293,309</b>	<b>\$ 1,237,806</b>
<b>Accumulated surplus consists of the following:</b>					
Unappropriated surplus	1,662,749	1,517,401	1,454,433	1,293,309	1,237,806
Accumulated remeasurement gains (losses)	25,445	(14,530)	-	-	-
<b>Total accumulated surplus</b>	<b>\$ 1,688,194</b>	<b>\$ 1,502,871</b>	<b>\$ 1,454,433</b>	<b>\$ 1,293,309</b>	<b>\$ 1,237,806</b>

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

## FINANCIAL COMPARISON 2020 - 2024

(In thousands of dollars)

### STATEMENT OF OPERATIONS

	2024	2023	2022	2021	2020
<b>REVENUE:</b>					
Taxes	\$ 110,121	\$ 104,915	\$ 101,164	\$ 97,977	\$ 98,560
Less - requisitions	(28,133)	(26,778)	(26,734)	(26,067)	(25,427)
	81,988	78,137	74,430	71,910	73,133
<b>Sale of services</b>					
General Government and Council	6,354	5,004	3,142	3,055	2,034
Corporate Services and Other Supports	740	802	782	778	679
Parks, Recreation and Culture	10,976	11,806	9,502	4,572	3,962
Emergency Services	912	874	863	674	516
Planning and Infrastructure	624	631	523	355	388
Gas	22,990	27,618	46,549	36,361	37,235
Electric	155,573	262,830	292,563	196,393	127,710
Environmental Utilities	59,295	57,571	55,982	54,790	49,921
Land	2,282	1,891	3,701	4,082	5,548
<b>Other income</b>					
Investment income	53,140	23,332	6,954	41,572	13,963
Licenses, fines and penalties	5,351	4,464	5,313	6,142	4,909
Insurance recovery	333	129	336	2,895	813
Development levies	1,058	1,321	896	1,674	6,977
Government transfers for operating	7,984	12,947	16,643	5,223	12,607
Other	18,882	21,480	7,756	13,342	12,121
<b>Total revenue</b>	<b>\$ 428,482</b>	<b>\$ 510,837</b>	<b>\$ 525,935</b>	<b>\$ 443,818</b>	<b>\$ 352,516</b>
<b>EXPENSES:</b>					
General Government and Council	\$ 10,959	\$ 39,632	\$ 9,825	\$ 7,137	\$ 6,504
Corporate Services and Other Supports	70,515	65,329	59,635	56,252	52,340
Parks, Recreation and Culture	51,423	46,652	43,155	35,601	36,518
Emergency Services	46,621	44,452	42,044	39,575	40,514
Planning and Infrastructure	31,454	31,186	29,216	28,158	28,288
Gas	(24,817)	101,755	72,234	130,116	115,792
Electric	86,429	102,804	96,228	84,824	79,741
Environmental Utilities	40,678	40,190	35,837	34,737	37,260
Land	1,284	1,429	3,335	3,565	4,785
<b>Total expenses</b>	<b>\$ 314,546</b>	<b>\$ 473,429</b>	<b>\$ 391,509</b>	<b>\$ 419,965</b>	<b>\$ 401,742</b>
<b>Excess (Deficiency) of revenue over expenses</b>					
- before other revenue	\$ 113,936	\$ 37,408	\$ 134,426	\$ 23,853	\$ (49,226)
<b>Other</b>					
Contributed tangible capital assets	1,195	625	133	2,195	243
Government transfers for capital	30,217	24,935	26,565	29,455	19,470
<b>Total other</b>	<b>31,412</b>	<b>25,560</b>	<b>26,698</b>	<b>31,650</b>	<b>19,713</b>
<b>Annual (deficit) surplus</b>	<b>\$ 145,348</b>	<b>\$ 62,968</b>	<b>\$ 161,124</b>	<b>\$ 55,503</b>	<b>\$ (29,513)</b>

#### Trends:

Revenue decreased in 2024 primarily due to lower revenues in Electric and Gas as a result of lower commodity prices. The commodity prices trended back to historic levels as a result of more power generation supply. Investment income is also very volatile depending on economic conditions. Investment income in 2024 saw a significant increase from prior years' due to better market performance as well as the recognition of gains related to rebalancing the portfolio.

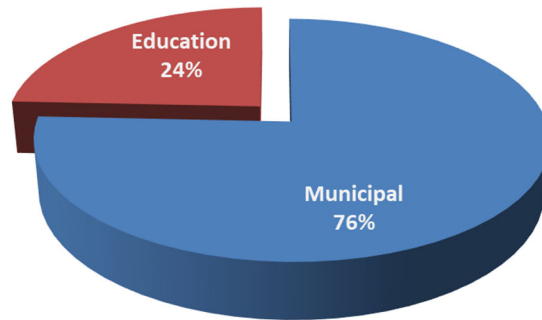
Expenses in 2024 have decreased compared to prior years due to the reversal of prior years' impairments of \$96.4 million in oil and gas assets as well as the lower gas purchases due to lower commodity prices. The increase in 2023 for General Government and Council was due to providing a one-time \$33.2 million cost relief pressure program to its residents to assist with the recent high cost of living.



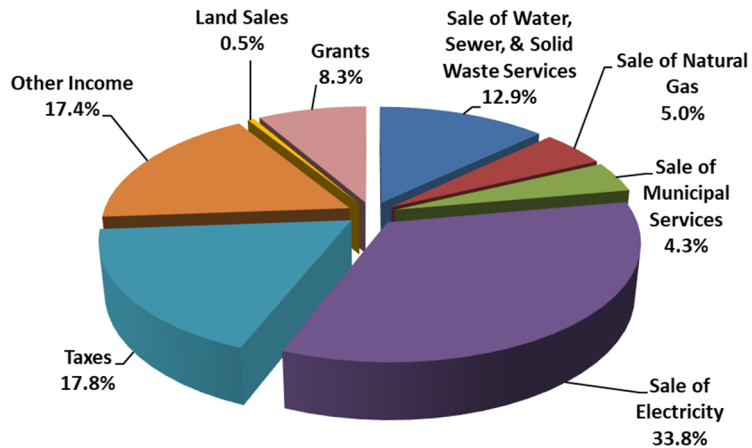
# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

## Financial Synopsis: 2024 Operating Activities

Where our tax dollars went in 2024  
Education / Municipal  
Property Tax

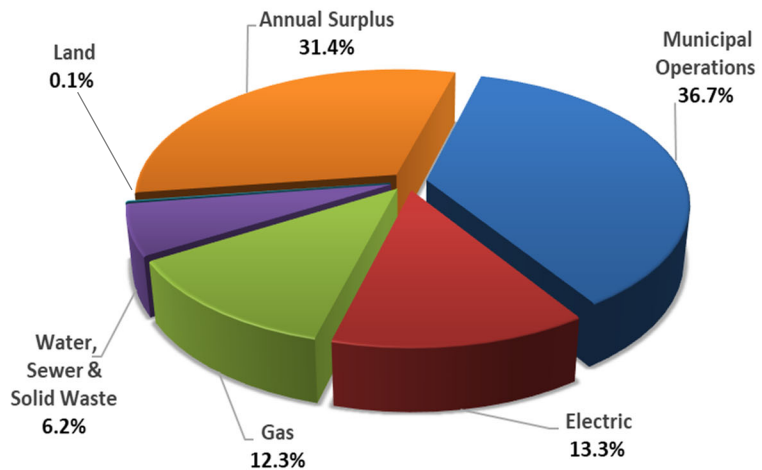


Where the money comes  
from \$460 Million



Where the money goes  
\$460 Million

(\*excluding non-cash expenses:  
amortization, accretion, loss on disposal of  
assets, impairments)



# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2020 - 2024

## TAXATION & ASSESSMENT

### MILL RATES

	2024	2023	2022	2021	2020
<b>MUNICIPAL</b>					
Single family	6.7838	6.6744	6.8108	6.8034	7.1152
Apartments	7.7542	7.8755	7.9557	8.3090	8.8781
Farmland	17.2889	17.1955	17.3438	16.4809	34.5368
Commercial and industrial	16.1707	15.9113	15.7962	15.2807	15.7102
<b>EDUCATION</b>					
Single family	2.494	2.4307	2.6137	2.5465	2.4622
Apartments	2.494	2.4307	2.6137	2.5465	2.4622
Farmland	2.494	2.4307	2.6137	2.5465	2.4622
Commercial and industrial	3.6122	3.7149	4.1613	3.7467	3.4922
<b>OTHER</b>					
Single family	0.1256	0.1278	0.1053	0.1067	0.1035
Apartments	0.1256	0.1278	0.1053	0.1067	0.1035
Farmland	0.1256	0.1278	0.1053	0.1067	0.1035
Commercial and industrial	0.1256	0.1278	0.1053	0.1067	0.1035

### PROPERTY TAXES LEVIED (In thousands of dollars)

PROPERTY TAX LEVY	2024	2023	2022	2021	2020
Municipal	\$ 81,136	\$ 77,219	\$ 73,567	\$ 71,138	\$ 72,126
Education	26,825	25,500	25,741	25,087	24,474
Other	1,308	1,278	993	980	953
<b>TOTAL REAL PROPERTY</b>	<b>\$ 109,269</b>	<b>\$ 103,997</b>	<b>\$ 100,301</b>	<b>\$ 97,205</b>	<b>\$ 97,553</b>
Current taxes collected	104,547	99,436	96,318	92,067	89,429
% of current taxes collected (includes real + linear property taxes)	95.13%	95.03%	95.40%	94.19%	91.21%
<b>OTHER MAJOR TAXES LEVIED</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
Linear property taxes	\$ 628	\$ 639	\$ 660	\$ 545	\$ 497
Local improvements	224	279	203	227	510
<b>TOTAL MAJOR TAX LEVIED</b>	<b>\$ 852</b>	<b>\$ 918</b>	<b>\$ 863</b>	<b>\$ 772</b>	<b>\$ 1,007</b>

### ASSESSED VALUE FOR GENERAL MUNICIPAL PURPOSES

	2024	2023	2022	2021	2020
Residential	\$ 7,732,741,596	\$ 7,456,353,374	\$ 6,998,752,689	\$ 6,748,869,568	\$ 6,709,679,101
Multi-family	411,567,461	391,393,709	347,462,670	324,069,416	304,505,120
Farmland	1,032,600	1,051,000	1,095,600	1,196,118	1,243,600
Commercial and industrial	2,096,551,123	2,038,617,038	1,920,232,705	1,945,336,496	2,022,067,648
<b>TOTAL TAXABLE ASSESSMENT</b>	<b>\$ 10,241,892,780</b>	<b>\$ 9,887,415,121</b>	<b>\$ 9,267,543,664</b>	<b>\$ 9,019,471,598</b>	<b>\$ 9,037,495,469</b>

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

**FOR THE YEARS ENDED DECEMBER 31, 2020 - 2024**

(In thousands of dollars)

## SUMMARY OF UNRESTRICTED SURPLUS AND RESTRICTED SURPLUS - RESERVES

	2024	2023	2022	2021	2020
<b>UNRESTRICTED SURPLUS</b>					
General	\$ 9,317	\$ 9,171	\$ 12,274	\$ 12,185	\$ 11,673
Gas	51,311	215,971	15,607	(1,973)	7,848
Electric	(11,377)	(16,304)	6,339	(10,682)	7,100
Water	14,475	16,210	19,525	18,439	15,834
Sewer	7,464	7,137	8,973	6,296	(2,577)
Solid Waste	18,944	16,773	14,129	11,890	10,496
Land	24,400	25,008	20,286	21,360	22,253
<b>TOTAL UNRESTRICTED SURPLUS</b>	<b>114,534</b>	<b>273,966</b>	<b>97,133</b>	<b>57,515</b>	<b>72,627</b>
<b>RESTRICTED SURPLUS - RESERVES</b>					
Operating	35,437	31,972	39,997	35,822	40,510
Capital	208,471	226,713	154,042	156,475	93,968
Medicine Hat Endowment Fund	207,632	193,523	159,179	60,630	49,825
Abandonment Obligations	76,273	-	-	-	-
Energy Transition	76,273	-	-	-	-
<b>TOTAL RESTRICTED SURPLUS - RESERVES</b>	<b>604,086</b>	<b>452,208</b>	<b>353,218</b>	<b>252,927</b>	<b>184,303</b>
<b>TOTAL RESERVES &amp; SURPLUS</b>	<b>\$ 718,620</b>	<b>\$ 726,174</b>	<b>\$ 450,351</b>	<b>\$ 310,442</b>	<b>\$ 256,930</b>

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2020 - 2024

(In thousands of dollars)

## LONG TERM DEBT

	2024	2023	2022	2021	2020
<b>LONG TERM DEBT</b>					
Debt supported by taxes	\$ 25,351	\$ 28,340	\$ 31,757	\$ 34,387	\$ 36,928
Debt supported by utilities	337,767	361,314	386,824	371,929	339,144
<b>TOTAL TAX SUPPORTED AND UTILITIES DEBT</b>	<b>\$ 363,118</b>	<b>\$ 389,654</b>	<b>\$ 418,581</b>	<b>\$ 406,316</b>	<b>\$ 376,072</b>

## DEBT PER CAPITA

(not in thousands of dollars)

	2024	2023	2022	2021	2020
Tax supported	\$ 401	\$ 448	\$ 502	\$ 543	\$ 584
Utility supported	5,338	5,711	6,114	5,878	5,361
<b>TOTAL DEBT PER CAPITA</b>	<b>\$ 5,739</b>	<b>\$ 6,159</b>	<b>\$ 6,616</b>	<b>\$ 6,421</b>	<b>\$ 5,945</b>

## LONG & SHORT-TERM DEBT CHARGES AS A % OF TOTAL EXPENSES

	2024	2023	2022	2021	2020
Actual debt servicing (long and short term)	\$ 38,693	\$ 42,086	\$ 41,666	\$ 39,224	\$ 37,518
Total operating expenses	314,546	473,429	391,509	419,965	401,742
<b>PERCENTAGE</b>	<b>12.30%</b>	<b>8.89%</b>	<b>10.64%</b>	<b>9.34%</b>	<b>9.34%</b>

## LEGAL DEBT LIMIT

	2024	2023	2022	2021	2020
Debt limit	\$ 856,964	\$ 1,021,674	\$ 1,051,870	\$ 887,636	\$ 705,032
Total debt	363,118	389,654	418,581	406,316	376,072
Loan guarantees	984	1,072	1,157	1,244	1,740
Credit card debt	574	726	841	-	-
Letters of credit issued	63,598	45,360	45,360	46,960	46,960
<b>AMOUNT UNDER LIMIT</b>	<b>\$ 428,690</b>	<b>\$ 584,862</b>	<b>\$ 585,931</b>	<b>\$ 433,116</b>	<b>\$ 280,260</b>
Percentage used	49.98%	42.75%	44.30%	51.21%	60.25%

## DEBT SERVICING LIMIT

	2024	2023	2022	2021	2020
Debt servicing limit	\$ 149,969	\$ 178,793	\$ 184,077	\$ 155,336	\$ 123,381
Actual debt servicing (short and long term)	38,693	42,086	41,666	39,224	37,518
<b>AMOUNT UNDER LIMIT</b>	<b>\$ 111,276</b>	<b>\$ 136,707</b>	<b>\$ 142,411</b>	<b>\$ 116,112</b>	<b>\$ 85,863</b>
Percentage used	25.80%	23.54%	22.64%	25.25%	30.41%

# FINANCIAL & STATISTICAL SCHEDULES (Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2020 - 2024

(In thousands of dollars)

## CONSOLIDATED EXPENSES BY OBJECT

	2024 Budget	2024 Actual	2023 Actual	2022 Actual	2021 Actual	2020 Actual
Salaries, wages and benefits	\$ 144,481	\$ 151,419	\$ 141,168	\$ 133,412	\$ 128,326	\$ 131,885
Contracted and general services	65,458	67,348	58,868	50,157	43,289	47,096
Materials, goods and utilities	29,502	28,137	24,209	24,246	28,562	26,982
Provisions for allowances	285	788	404	650	1,238	1,124
Bank charges and short-term interest	488	452	397	358	468	386
Interest on long-term debt	15,508	12,060	13,014	12,081	11,488	11,382
Grants and other transfers	4,551	5,016	4,703	4,078	5,199	5,429
Other operating expenses	77,252	52,598	123,469	150,937	85,893	47,682
Amortization of tangible capital assets	86,056	84,605	84,672	90,254	84,913	90,980
Accretion on asset retirement obligations	5,243	7,740	7,951	10,751	10,058	10,309
Impairments (recoveries)	-	(96,419)	13,941	(84,424)	13,574	17,187
Loss on disposal of tangible capital assets	-	802	633	(991)	6,957	11,300
<b>TOTAL EXPENSES</b>	<b>\$ 428,824</b>	<b>\$ 314,546</b>	<b>\$ 473,429</b>	<b>\$ 391,509</b>	<b>\$ 419,965</b>	<b>\$ 401,742</b>

# SCHEDULE OF CAPITAL SEGMENTED REPORTING (Unaudited)

**FOR THE YEARS ENDED DECEMBER 31, 2020-2024**

(In thousands of dollars)

	2024	2023	2022	2021	2020
<b>Capital Expenditures:</b>					
Municipal services	\$ 40,321	\$ 28,927	\$ 29,439	\$ 40,905	\$ 36,530
Gas utility	4,532	6,380	3,604	2,603	4,129
Electric utility	32,661	16,005	27,115	31,986	37,537
Environmental utilities	36,348	22,881	15,610	23,824	27,000
Land development and real estate	123	(307)	674	4,370	732
<b>Total Capital Spending</b>	<b>113,985</b>	<b>73,886</b>	<b>76,442</b>	<b>103,688</b>	<b>105,928</b>
<b>Financing Sources Applied:</b>					
Contributed assets - private	195	625	133	2,195	243
Debt - ACFA	-	-	41,741	37,940	38,472
Debt - internal	1,324	1,239	5,569	4,459	5,212
Developers levies	2,058	1,321	896	1,675	6,962
Government transfers	30,217	24,935	26,565	29,455	19,470
From (to) operating	54,479	32,005	14,622	14,997	17,763
From (to) reserves	11,907	12,795	12,234	4,248	8,190
<b>Total Funding</b>	<b>100,180</b>	<b>72,920</b>	<b>101,760</b>	<b>94,969</b>	<b>96,312</b>
Increase (decrease) in fund balance	(13,805)	(966)	25,318	(8,719)	(9,616)
Capital fund balance, beginning of year	29,931	30,897	5,579	14,298	23,914
<b>Capital fund balance, end of year</b>	<b>\$ 16,126</b>	<b>\$ 29,931</b>	<b>\$ 30,897</b>	<b>\$ 5,579</b>	<b>\$ 14,298</b>

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## OUR VISION

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To make Medicine Hat a “community of choice.”

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## OUR MISSION

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To deliver value through exceptional public service.

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## OUR VALUES

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We are committed to the following core values, which we believe enable us to achieve our vision:

- Respect
- Integrity
- Accountability
- Courage
- Caring

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## MEDICINE HAT COUNCIL'S STRATEGIC PLAN 2023 - 2026

Six strategic priorities:

- Innovation
- Economic Evolution
- Service Orientation
- Partnerships and Governance
- Community Wellness
- Resilience and Sustainability



